

## STATE OF MINNESOTA

## EIGHTY-SIXTH SESSION — 2010

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 ONE HUNDRED FIRST DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 10, 2010

The House of Representatives convened at 9:00 a.m. and was called to order by Doug Magnus, Speaker pro tempore.

Prayer was offered by the Reverend Jules Erickson, All Saints Lutheran Church, Cottage Grove, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Peppin was excused until 2:35 p.m.

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

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Carlson from the Committee on Finance to which was referred:

H. F. No. 2227, A bill for an act relating to local government; establishing Minnesota Innovation and Research Council; imposing powers and duties of council; appropriating money; amending Minnesota Statutes 2008, section 3.971, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 465; repealing Minnesota Statutes 2008, section 6.80.

Reported the same back with the following amendments:

Page 2, line 32, after "Administration" insert ", one member of the majority caucus and one member of the largest minority caucus"

Page 3, line 2, after "house" insert ", one member of the majority caucus and one member of the largest minority caucus"

Page 7, line 32, after "comments" insert "and requests to present oral comments"

Page 8, line 11, after the period, insert "If a member of the public requests to present comments or information at the hearing, the council must permit the member of the public an opportunity to present the comments or information."

Page 15, line 27, delete "\$350,000" and insert "\$50,000"

Page 15, line 35, after the period, insert "This is a onetime appropriation."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3795, A bill for an act relating to public safety; appropriating money to match federal disaster assistance made available through FEMA Public Assistance Program.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Sec. 2. Laws 2006, chapter 258, section 7, subdivision 23, is amended to read:

Subd. 23. **Trail connections**

2,010,000

For matching grants under Minnesota Statutes, section 85.019, subdivision 4c.

\$500,000 is for a grant to Carlton County to predesign, design, and construct a nonmotorized pedestrian trail connection to the Willard Munger State Trail from the city of Carlton through the city of Scanlon continuing to the city of Cloquet, along the St. Louis River in Carlton County.

\$260,000 is to provide the state match for the cost of the Soo Line Multiuse Recreational Bridge project over marked Trunk Highway 169 in Mille Lacs County.

\$175,000 is for a grant to the city of Bowlus in Morrison County to design, construct, furnish, and equip a trailhead center at the head of the Soo Line Recreational Trail.

\$125,000 is for a grant to Morrison County to predesign, design, construct, furnish, and equip a park-and-ride lot and restroom building adjacent to the Soo Line Recreational Trail at U.S. Highway 10.

\$950,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority for land acquisition, engineering, construction, furnishing, and equipping of a 19-mile "Boundary Waters Connection" of the Mesabi Trail from Bearhead State Park to the International Wolf Center in Ely. This appropriation is contingent upon a matching contribution of \$950,000 from other sources, public or private. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

Sec. 3. Laws 2008, chapter 179, section 4, subdivision 4, is amended to read:

Subd. 4. **Independent School District No. 279, Osseo**

2,000,000

For a grant to Independent School District No. 279, Osseo, to predesign, design, construct, furnish, and equip the Northwest Hennepin Family Center and parking facility in Brooklyn Center. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

No later than five years after the facility opens, the school district must report to the commissioner of education on how the facility has improved student achievement and reduced educational disparities.

Sec. 4. Laws 2008, chapter 179, section 18, subdivision 6, is amended to read:

Subd. 6. **Hennepin County Medical Center**

820,000

For a grant to Hennepin County to predesign ~~and~~, design, construct, and equip an outpatient clinic and health education facility at Hennepin County Medical Center that includes teaching clinics and an education center.

Sec. 5. Laws 2009, chapter 93, article 1, section 16, subdivision 5, is amended to read:

Subd. 5. **Olmsted County - Steam Line Extension**

5,000,000

For a grant to Olmsted County to design and construct approximately 1.25 miles of a new steam pipeline from the Olmsted Waste-to-Energy Facility to the Rochester Community and Technical College Campus, supplying steam heat and cooling from a renewable energy source. Any portion of this appropriation remaining after the construction is completed is reappropriated to the Board of Trustees of the Minnesota State Colleges and Universities to convert heating and cooling systems within existing Rochester Community and Technical College buildings from electrical energy to steam-derived energy.

This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from Olmsted County.

Sec. 6. **APPROPRIATIONS MADE ONLY ONCE.**

If the appropriations made in this act are enacted more than once in the 2010 regular session, these appropriations must be given effect only once.

Page 1, line 14, delete "Section 1" and insert "This act"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "public safety" and insert "state government"

Page 1, line 3, before the period, insert "; modifying previous appropriations"

Correct the title numbers accordingly

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 3796, A bill for an act relating to public safety; appropriating money to match federal disaster assistance made available through FEMA Public Assistance Program.

Reported the same back with the following amendments:

Page 1, after line 12, insert:

"Sec. 2. **APPROPRIATIONS MADE ONLY ONCE.**

If the appropriations made in this act are enacted more than once in the 2010 regular session, these appropriations must be given effect only once."

Page 1, line 14, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence and correct the internal references

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 1679, A bill for an act relating to public employment; authorizing retirement incentives.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **RETIREMENT INCENTIVE.**

Subdivision 1. **Eligibility.** (a) An eligible appointing authority may provide the retirement incentive in this section to an employee who:

(1) has at least 15 years of allowable service in one or more of the funds listed in Minnesota Statutes, section 356.30, subdivision 3, or has at least 15 years of coverage by the individual retirement account plan governed by Minnesota Statutes, chapter 354B, and upon retirement is immediately eligible for a retirement annuity or benefit from one or more of these funds;

(2) accepts the incentive no later than December 31, 2010, and retires no later than June 30, 2011; and

(3) is not in receipt of a retirement plan, retirement annuity, retirement allowance, or service pension from a fund listed in Minnesota Statutes, section 356.30, subdivision 3, during the month preceding the termination of qualified employment.

(b) An eligible appointing authority is any appointing authority in the executive, legislative, or judicial branch of state government, the Public Employees Retirement Association, the Minnesota State Retirement System, the Teachers Retirement Association, or the Minnesota State Colleges and Universities.

(c) An elected official is not eligible to receive an incentive under this section.

(d) An employee who, after termination of employment, receives an employer contribution for health insurance, may not receive a payment for health insurance under this section from that appointing authority.

Subd. 2. **Incentive.** For an employee eligible under subdivision 1, the appointing authority will deposit into the employee's account in the health care savings plan established in Minnesota Statutes, section 352.98, up to 24 months of the employer contribution, as specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminates service, for health and dental insurance for the employee, and, if the employee had dependent coverage immediately before retirement, for the employee's dependents. The contributions provided under this section are those the employee was receiving as of the date of termination, subject to any changes in contributions specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminated service.

Subd. 3. **Employer discretion; implementation.** Provision of an incentive under this section is at the discretion of the appointing authority. Appointing authorities in the executive branch must apply for approval from the commissioner of management and budget before providing early retirement incentives under this section. All appointing authorities and the commissioner's review must give consideration to issues such as equity within the agency, budgetary constraints, and workforce planning concerns. The appointing authority will determine the date of retirement upon consultation with the employee. Unilateral implementation of this section by the appointing authority is not an unfair labor practice under Minnesota Statutes, chapter 179A.

Subd. 4. **Acceptance.** An employee who is eligible for an incentive under this section, who is offered an incentive by the appointing authority, and who accepts the incentive offer, must do so in writing. A copy of the acceptance document must be provided by the appointing authority to the applicable retirement plan within 15 days of its execution.

Subd. 5. **Reemployment prohibition.** An individual who receives an incentive payment under this section may not be reemployed or hired as a consultant by any agency or entity that participates in the State Employee Group Insurance Program for a period of three years after termination of service.

Subd. 6. **Report.** The commissioner of management and budget must report to the legislature by April 2, 2011, regarding use of the retirement incentive for calendar year 2010, with a recommendation regarding renewal of the incentive.

Sec. 2. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; authorizing retirement incentives; requiring a report."

With the recommendation that when so amended the bill pass.

The report was adopted.

## SECOND READING OF SENATE BILLS

S. F. No. 1679 was read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Bunn, Ruud, Peterson, Scalze, Rosenthal, Gardner and Murphy, E., introduced:

H. F. No. 3837, A bill for an act relating to human services; modifying coverage and payment rates for rehabilitative services and medical supplies and equipment; amending Minnesota Statutes 2008, sections 256B.04, subdivision 14; 256B.0625, subdivisions 8, 8a, 8b, 31, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 256B.0653, subdivision 5.

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

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2918, A bill for an act relating to retirement; various retirement plans; increasing certain contribution rates; suspending certain postretirement adjustments; reducing certain postretirement adjustment increase rates; reducing interest rates on refunds; reducing deferred annuity augmentation rates; eliminating interest on reemployed annuitant earnings limitation deferred accounts; increasing certain vesting requirements; increasing certain early retirement reduction rates; reducing certain benefit accrual rates; extending certain amortization periods; making changes of an administrative nature for retirement plans administered by the Minnesota State Retirement Association; revising insurance withholding for certain retired public employees; authorizing state patrol plan service credit for leave procedures; addressing plan coverage errors and omitted contributions; revising unlawful discharge annuity repayment requirements; requiring employment unit accommodation of daily valuation of investment accounts; eliminating administrative fee maximum for the unclassified state employees retirement program; making changes of an administrative nature in the general employees retirement plan of the Public Employees Retirement Association, the public employees police and fire retirement plan, and the defined contribution retirement plan; making various administrative modifications in the voluntary statewide lump-sum volunteer firefighter retirement plan of the Public Employees Retirement Association; revising purchase of salary credit procedures in certain partial salary situations; adding new partial salary credit purchase authority for partial paid medical leaves and budgetary leaves; redefining TRA allowable service credit; defining annual base salary; requiring base salary reporting by TRA-covered employing units; making changes of an administrative nature in the Minnesota State Colleges and Universities System individual retirement account plan; setting deadline dates for actuarial reporting; extending and revising an early retirement incentive program; permitting the court-ordered revocation of an optional annuity election in certain marriage dissolutions; transfer of the administrative functions of the Minneapolis Employees Retirement Fund to the Public Employees Retirement Association; creation of MERF consolidation account within the Public Employees Retirement Association; making various technical corrections relating to volunteer fire relief associations; revising break-in-service return to firefighting authorizations; authorizing Minnesota deferred compensation plan service pension transfers; revising payout defaults in survivor benefits; authorizing corrections of certain special fund deposits; requiring a retirement fund investment authority

study; authorizing certain bylaw amendments; making technical changes; appropriating money; amending Minnesota Statutes 2008, sections 3A.02, subdivision 4; 11A.04; 11A.23, subdivision 4; 13D.01, subdivision 1; 43A.17, subdivision 9; 43A.316, subdivision 8; 69.021, subdivision 10; 69.051, subdivision 3; 126C.41, subdivision 3; 256D.21; 352.01, subdivision 2a; 352.03, subdivision 4; 352.04, subdivision 9; 352.113, subdivision 1; 352.115, subdivisions 1, 10; 352.12, subdivision 2; 352.22, subdivisions 2, 3; 352.72, subdivisions 1, 2; 352.91, by adding a subdivision; 352.93, subdivisions 1, 2a, 3a; 352.931, subdivision 1; 352.965, subdivisions 1, 2, 6; 352B.02, as amended; 352B.08, subdivisions 1, 2a; 352B.11, subdivision 2b; 352B.30, subdivisions 1, 2; 352D.015, subdivisions 4, 9, by adding a subdivision; 352D.02, subdivisions 1c, 2, 3; 352D.03; 352D.04, subdivisions 1, 2; 352D.05, subdivisions 3, 4; 352D.06, subdivision 3; 352D.065, subdivision 3; 352D.09, subdivisions 3, 7; 352F.07; 353.01, subdivisions 2b, 2d, by adding subdivisions; 353.0161, subdivision 2; 353.03, subdivision 1; 353.05; 353.27, as amended; 353.29, subdivision 1; 353.30, subdivision 1c; 353.32, subdivisions 1, 1a; 353.34, subdivisions 1, 2, 3, 6; 353.37, subdivisions 1, 2, 3, 3a, 4, 5; 353.46, subdivisions 2, 6; 353.64, subdivision 7; 353.651, subdivisions 1, 4; 353.657, subdivisions 1, 2a; 353.71, subdivisions 1, 2, 4; 353.86, subdivisions 1, 2; 353.87, subdivisions 1, 2; 353.88; 353D.01, subdivision 2; 353D.03, subdivision 1; 353D.04, subdivisions 1, 2; 353E.04, subdivisions 1, 4; 353E.07, subdivisions 1, 2; 353F.025, subdivisions 1, 2; 353F.03; 354.05, by adding a subdivision; 354.07, subdivision 5; 354.091; 354.42, subdivisions 3, 7, by adding subdivisions; 354.52, subdivision 6, by adding a subdivision; 354.66, subdivision 3; 354.71; 354A.011, subdivision 27; 354A.12, subdivisions 1, 3c, by adding a subdivision; 354A.27, subdivisions 5, 6, by adding a subdivision; 354A.31, subdivision 1; 354A.35, subdivision 1; 354A.37, subdivisions 2, 3, 4; 354A.39; 354B.25, subdivisions 1, 3; 354C.14; 355.095, subdivision 1; 356.214, subdivision 1; 356.215, subdivisions 3, 8; 356.216; 356.24, subdivision 1; 356.30, subdivisions 1, 3; 356.302, subdivisions 1, 3, 4, 5, 7; 356.303, subdivisions 2, 4; 356.315, subdivision 5; 356.351, subdivision 1; 356.407, subdivision 2; 356.431, subdivision 1; 356.465, subdivision 3; 356.47, subdivision 3; 356.50, subdivision 4; 356.64; 356.65, subdivision 2; 356.91; 356.96, subdivisions 2, 3, 7, 8; 356A.06, subdivision 8; 422A.101, subdivision 3; 422A.26; 473.511, subdivision 3; 473.606, subdivision 5; 475.52, subdivision 6; 490.123, by adding a subdivision; 518.58, subdivisions 3, 4; Minnesota Statutes 2009 Supplement, sections 6.67; 69.011, subdivision 1; 69.031, subdivision 5; 69.772, subdivision 6; 69.773, subdivision 6; 352.01, subdivision 2b; 352.75, subdivision 4; 352.95, subdivision 2; 352B.011, subdivision 3; 353.01, subdivisions 2, 2a, 16; 353.06; 353.27, subdivisions 2, 3, 7; 353.33, subdivision 1; 353.371, subdivision 4; 353.65, subdivisions 2, 3; 353F.02, subdivision 4; 353G.05, subdivision 2; 353G.06, subdivision 1; 353G.08; 353G.09, subdivision 3; 353G.11, subdivision 1, by adding a subdivision; 354.42, subdivision 2; 354.47, subdivision 1; 354.49, subdivision 2; 354.52, subdivision 4b; 354.55, subdivision 11; 354A.12, subdivision 2a; 356.20, subdivision 2; 356.215, subdivision 11; 356.32, subdivision 2; 356.351, subdivision 2; 356.401, subdivision 3; 356.415, subdivisions 1, 2, by adding subdivisions; 356.96, subdivisions 1, 5; 423A.02, subdivision 3; 424A.01, subdivisions 1, 6; 424A.015, by adding a subdivision; 424A.016, subdivisions 4, 7; 424A.02, subdivisions 9, 10; 424A.05, subdivision 3, by adding a subdivision; 424A.08; 480.181, subdivision 2; Laws 2006, chapter 271, article 3, section 43, as amended; Laws 2009, chapter 169, article 4, section 49; article 5, section 2; article 7, section 4; proposing coding for new law in Minnesota Statutes, chapters 352B; 353; 353G; 356; repealing Minnesota Statutes 2008, sections 13.63, subdivision 1; 69.011, subdivision 2a; 352.91, subdivision 5; 353.01, subdivision 40; 353.46, subdivision 1a; 353.88; 353D.03, subdivision 2; 353D.12; 354A.27, subdivision 1; 354C.15; 356.43; 422A.01, subdivisions 1, 2, 3, 4, 4a, 5, 6, 7, 8, 9, 10, 11, 12, 13a, 17, 18; 422A.02; 422A.03; 422A.04; 422A.05, subdivisions 1, 2a, 2b, 2c, 2d, 2e, 2f, 5, 6, 8; 422A.06, subdivisions 1, 2, 3, 5, 6, 7; 422A.08, subdivision 1; 422A.09; 422A.10; 422A.101, subdivisions 1, 1a, 2, 2a; 422A.11; 422A.12; 422A.13; 422A.14, subdivision 1; 422A.15; 422A.151; 422A.155; 422A.156; 422A.16, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 422A.17; 422A.18, subdivisions 1, 2, 3, 4, 5, 7; 422A.19; 422A.20; 422A.21; 422A.22, subdivisions 1, 3, 4, 6; 422A.23, subdivisions 1, 2, 5, 6, 7, 8, 9, 10, 11, 12; 422A.231; 422A.24; 422A.25; Minnesota Statutes 2009 Supplement, sections 422A.06, subdivision 8; 422A.08, subdivision 5; 424A.001, subdivision 6; Laws 2009, chapter 169, article 10, section 32.

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

Senators Betzold, Pappas, Lynch, Dille and Higgins.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Sertich moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2918. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2933, A bill for an act relating to human services; making changes to continuing care policy and technical provisions; amending Minnesota Statutes 2008, sections 245A.03, by adding a subdivision; 626.557, subdivision 9a; Minnesota Statutes 2009 Supplement, sections 144.0724, subdivision 11; 256B.0625, subdivision 19c; 256B.0651, by adding a subdivision; 256B.0652, subdivision 6; 256B.0659, subdivisions 4, 10, 11, 13, 21, 30, by adding a subdivision; 256B.0911, subdivision 2b.

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

Senators Lourey, Marty and Frederickson.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Hosch moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2933. The motion prevailed.

#### FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place S. F. No. 2900; and H. F. Nos. 3051 and 2753 on the Fiscal Calendar for Monday, May 10, 2010.

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.

Emmer was excused between the hours of 1:30 p.m. and 2:20 p.m.

### **MESSAGES FROM THE SENATE, Continued**

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 3660, A bill for an act relating to claims against the state; providing for settlement of certain claims; appropriating money.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2642, A bill for an act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to laws and statutes; amending Minnesota Statutes 2008, sections 3.7393, subdivision 12; 12A.05, subdivision 3; 13.321, subdivision 10; 13.411, subdivision 5; 13.861, subdivision 2; 16B.24, subdivision 5; 16D.11, subdivision 7; 53C.01, subdivision 12a; 84.797, subdivision 6; 84.803, subdivision 2; 84.8045; 115A.932, subdivision 1; 116.155, subdivision 3; 125A.64, subdivision 6; 126C.55, subdivision 6; 128D.03, subdivision 2; 129C.10, subdivision 8; 136F.61; 168.002, subdivision 13; 168.013, subdivision 1; 169.67, subdivision 1; 190.025, subdivision 3; 214.04, subdivision 1; 216B.1691, subdivision 1; 245A.18, subdivision 2; 256L.04, subdivision 1; 260C.301, subdivision 1; 270.41, subdivision 5; 273.1115, subdivisions 1, 3; 273.124, subdivision 11; 290.0921, subdivision 3a; 297A.61, subdivision 3; 309.72; 325F.675, subdivision 6; 325F.732, subdivision 2; 332.37; 332.40, subdivision 2; 332.52, subdivision 3; 374.02; 469.154, subdivision 3; 473.599, subdivision 8; 490.133; 507.071, subdivision 16; 515B.1-102; Minnesota Statutes 2009 Supplement, sections 16A.126, subdivision 1; 16C.138, subdivision 2; 47.60, subdivisions 4, 6; 53.09, subdivision 2; 69.772, subdivision 6; 116J.401, subdivision 2; 120B.30, subdivisions 1, 2; 122A.60, subdivision 2; 124D.10, subdivisions 3, 8, 14, 15, 23, 25; 152.025; 168.33, subdivision 7; 169.011, subdivision 71; 169.865, subdivision 1; 176.135, subdivision 8; 246B.06, subdivision 7; 256.969, subdivision 3b; 256B.0659, subdivision 3; 256B.5012, subdivision 8; 260C.212, subdivision 7; 270.97; 270C.445, subdivision 7; 299A.61, subdivision 1; 332B.07, subdivisions 1, 4; 332B.09, subdivision 3; 424A.02, subdivision 10; 524.5-701; 571.914, subdivision 4; 626.557, subdivision 20; Laws 2009, chapter 78, article 8, section 22, subdivision 3; Laws 2009, chapter 79, article 10, section 48; Laws 2009, chapter 88, article 5, section 17; Laws 2009, chapter 172, article 1, section 2, subdivision 5; repealing Minnesota Statutes 2008, sections 13.6435, subdivision 9; 15.38, subdivision 5; 168.098; 256B.041, subdivision 5; 256D.03, subdivision 5; Laws 2005, First Special Session chapter 4, article 8, section 87; Laws 2006, chapter 277, article 1, sections 1; 3; Laws 2008, chapter 287, article 1, section 104; Laws 2008, chapter 300, section 6; Laws 2009, chapter 78, article 4, section 41; Laws 2009, chapter 88, article 6, sections 14; 15; 16; Laws 2009, chapter 169, article 10, section 32; Minnesota Rules, parts 9525.0750; 9525.0760; 9525.0770; 9525.0780; 9525.0790; 9525.0800; 9525.0810; 9525.0820; 9525.0830.

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

Senators Moua, Chaudhary, Ingebrigtsen, Rest and Skogen.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Jackson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2642. The motion prevailed.

Madam Speaker:

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

S. F. No. 2737.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 2737

A bill for an act relating to state government; changing certain pesticide control provisions; authorizing waiver of a fee; providing for control of bovine tuberculosis; eliminating the native grasses and wildflower seed production and incentive program; authorizing ownership of agricultural land by certain nonprofit corporations; requiring tree care and tree trimming company registration; regulating certain sale and distribution of firewood; authorizing individuals and entities to take certain easements in agricultural land; allowing a temporary lien for livestock production inputs for 45 days following a mediation request requiring reports; clarifying the role of the commissioner and Department of Veterans Affairs in providing certain resources for the county veterans service offices; modifying a residency requirement for purposes of eligibility for higher educational benefits for the surviving spouse and children of a deceased veteran who dies as a result of military service; repealing authorization for a license plate; repealing a requirement that the Department of Veterans Affairs report on the status of a construction project priority listing; appropriating money; amending Minnesota Statutes 2008, sections 3.737, subdivision 4; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivision 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 18B.316, subdivision 10; Laws 2008, chapter 296, article 1, section 25; proposing coding for new law in Minnesota Statutes, chapters 17; 38; repealing Minnesota Statutes 2008, sections 17.231; 168.1251; 343.26; Laws 2009, chapter 94, article 3, section 23.

May 6, 2010

The Honorable James P. Metzen  
President of the Senate

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2737 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2737 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

AGRICULTURE

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

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

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

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

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

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

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

~~(d)~~ (c) A decision to deny compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but may be reviewed upon a trial de novo in a court in the county where the loss occurred. The decision of the court may be appealed as in other civil cases. Review in court may be obtained by filing a

petition for review with the administrator of the court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator shall mail a copy to the commissioner and set a time for hearing within 90 days of the filing.

Sec. 3. Minnesota Statutes 2008, section 13.635, is amended by adding a subdivision to read:

Subd. 5. **Secretary of state.** Social Security numbers and tax identification numbers maintained by the secretary of state in filing systems are classified under sections 336.9-531 and 336A.14.

Sec. 4. Minnesota Statutes 2008, section 17.03, is amended by adding a subdivision to read:

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

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

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

Sec. 5. [17.459] HORSES.

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

Subd. 2. **Agricultural pursuit.** Raising horses and other equines is agricultural production and an agricultural pursuit.

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

Sec. 6. Minnesota Statutes 2008, section 18B.31, subdivision 5, is amended to read:

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

(b) If an application for renewal of a pesticide dealer license is not filed before ~~January 1 of the year for which the license is to be issued expires~~, an additional fee of ~~\$20.50 percent of the application fee~~ must be paid by the applicant before ~~the commissioner may issue the license is issued~~.

Sec. 7. Minnesota Statutes 2009 Supplement, section 18B.316, subdivision 10, is amended to read:

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

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

Sec. 8. Minnesota Statutes 2008, section 18B.36, subdivision 1, is amended to read:

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

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

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

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

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

Sec. 9. Minnesota Statutes 2008, section 18B.37, subdivision 4, is amended to read:

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

Sec. 10. Minnesota Statutes 2008, section 18G.07, is amended to read:

#### **18G.07 TREE CARE AND TREE TRIMMING COMPANY ~~REGISTRY~~ REGISTRATION.**

Subdivision 1. **Creation of registry.** (a) The commissioner shall maintain a list of all persons and companies that provide tree care or tree trimming services in Minnesota. All tree care providers, tree trimmers, and persons who remove trees, limbs, branches, brush, or shrubs for hire must ~~provide the following information to be registered by the commissioner:~~

(b) Persons or companies who are required to be registered under paragraph (a), must register annually by providing the following to the commissioner:

(1) accurate and up-to-date business name, address, and telephone number;

(2) a complete list of all Minnesota counties in which they work; and

(3) a complete list of persons in the business who are certified by the International Society of Arborists, a nonrefundable fee of \$25 for initial application or renewing the registration.

(c) All persons and companies required to be registered under paragraph (a) must register before conducting the activities specified in paragraph (a). Annual registration expires December 31, must be renewed annually, and the renewal fee remitted by January 7 of the year for which it is issued. In addition, a penalty of ten percent of the renewal fee due must be charged for each month, or portion of a month, that the fee is delinquent up to a maximum of 30 percent for any application for renewal postmarked after December 31.

Subd. 2. **Information dissemination.** The commissioner shall provide registered tree care companies with information and data regarding any existing or potential regulated forest pest infestations within the state.

Subd. 3. **Violation.** It is unlawful for a person to advertise tree care or tree trimming services in Minnesota without being registered with the commissioner.

**EFFECTIVE DATE.** This section is effective January 1, 2011.

Sec. 11. Minnesota Statutes 2008, section 28A.082, subdivision 1, is amended to read:

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

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

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

Sec. 12. Minnesota Statutes 2008, section 35.244, subdivision 1, is amended to read:

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

Sec. 13. Minnesota Statutes 2008, section 35.244, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

Sec. 14. **[38.345] APPROPRIATIONS BY MUNICIPALITIES.**

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

Sec. 15. Minnesota Statutes 2008, section 239.092, is amended to read:

**239.092 SALE FROM BULK.**

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

(1) the name and address of the person who weighed or measured the commodity;

(2) the date delivered;

(3) the quantity delivered;

(4) the count of individually wrapped packages delivered, if more than one is included in the quantity delivered;

(5) the quantity on which the price is based, if different than the quantity delivered; and

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

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

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

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

Sec. 16. Minnesota Statutes 2008, section 239.093, is amended to read:

**239.093 INFORMATION REQUIRED WITH PACKAGE.**

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

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

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

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

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

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

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

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

Sec. 17. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1, is amended to read:

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

(1) 10.0 percent denatured ethanol by volume; or

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

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

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

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

Sec. 18. Minnesota Statutes 2009 Supplement, section 239.791, subdivision 1a, is amended to read:

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

(1) 20 percent denatured ethanol by volume; or

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

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

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

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

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

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

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

Sec. 19. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 20. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

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

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

Sec. 21. Minnesota Statutes 2008, section 239.791, is amended by adding a subdivision to read:

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

Sec. 22. Minnesota Statutes 2008, section 336.9-531, is amended to read:

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

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

~~Notwithstanding section 13.355, a filing office may include Social Security number information in an information request response under section 336.9 523 or a search of other liens in the central filing system. A filing office may also include Social Security number information on a photocopy or electronic copy of a record whether provided in an information request response or in response to a request made under section 13.03. A Social Security number or tax identification number maintained by the secretary of state under this section is private data on individuals or nonpublic data, as defined in section 13.02.~~

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

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

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

**EFFECTIVE DATE.** This section is effective for financing statements filed in the central filing system after November 30, 2010.

Sec. 23. Minnesota Statutes 2008, section 336A.08, subdivision 1, is amended to read:

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

(1) organized according to farm product;

(2) arranged within each product:

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

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

(iii) geographically by county; and

(iv) by crop year;

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

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

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

**EFFECTIVE DATE.** This section is effective for lists compiled pursuant to this section after October 31, 2010.

Sec. 24. Minnesota Statutes 2008, section 336A.08, subdivision 4, is amended to read:

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

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

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

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

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

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

(1) any electronically transmitted medium; or

(2) any form of digital media.

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

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

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

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

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

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

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

**EFFECTIVE DATE.** This section is effective for lists distributed pursuant to this section after October 31, 2010.

Sec. 25. Minnesota Statutes 2008, section 336A.14, is amended to read:

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

A Social Security number or tax identification number maintained by the secretary of state under this section is private data on individuals or nonpublic data, as defined in section 13.02. Information obtained from the seller of a farm product relative to the Social Security number or tax identification number of the true owner of the farm product and all information obtained from the master or limited list may not be used for purposes that are not related to: (1) purchase of a farm product; (2) taking a security interest against a farm product; or (3) perfecting a farm product statutory lien.

**EFFECTIVE DATE.** This section is effective October 31, 2010.

Sec. 26. Minnesota Statutes 2008, section 500.221, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

(i) disposes of all agricultural land held; or

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

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

Sec. 27. Minnesota Statutes 2008, section 500.221, subdivision 4, is amended to read:

Subd. 4. **Reports.** (a) Any natural person, corporation, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired within this state prior to June 1, 1981, but shall file a report with the commissioner of agriculture annually before January 31 containing a description of all agricultural land held within this state, the purchase price and market value of the land, the use to which it is put, the date of acquisition and any other reasonable information required by the commissioner.

(b) An individual or entity that qualifies for an exemption under subdivision 2, clause (2) or (9), and owns an interest in agricultural land shall file a report with the commissioner of agriculture by December 31 of each year in which the individual or entity acquires an interest in agricultural land. The report must contain a description of all interests in agricultural land held by the individual or entity within this state.

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

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

Sec. 28. Minnesota Statutes 2008, section 500.24, subdivision 2, is amended to read:

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

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

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

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

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

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

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

(d) "Family farm trust" means:

(1) a trust in which:

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

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

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

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

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

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

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

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

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

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

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

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

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

- (1) it is engaged in the production of livestock other than dairy cattle;
  - (2) all its shareholders, other than any estate, are natural persons, family farm trusts, or family farm corporations;
  - (3) it does not have more than one class of shares;
  - (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;
  - (5) shareholders holding 75 percent or more of the control, financial, and capital investment in the corporation are farmers, and at least 51 percent of the required percentage of farmers are actively engaged in livestock production;
  - (6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and
  - (7) none of its shareholders are shareholders in other authorized farm corporations that directly or indirectly in combination with the corporation own more than 1,500 acres of agricultural land.
- (g) "Agricultural land" means real estate used for farming or capable of being used for farming in this state.
- (h) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3.
- (i) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.
- (j) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are natural persons or current beneficiaries of one or more family farm trusts in which the trustee holds an interest in a family farm partnership related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on the farm, actively operating the farm, or the agricultural land was owned by one or more of the related persons for a period of five years before its transfer to the limited partnership, and none of the partners is a corporation. A family farm partnership does not cease to qualify as a family farm partnership because of a:
- (1) transfer of a partnership interest to a person or spouse of a person related within the third degree of kindred according to the rules of civil law to the person making the transfer or to a family farm trust of which the partner, spouse, or related person is a current beneficiary; or
  - (2) distribution from a family farm trust of a partnership interest to a beneficiary related within the third degree of kindred according to the rules of civil law to a majority of the current beneficiaries of the trust, or to a family farm trust of which the partner, spouse, or related person is a current beneficiary.
- For the purposes of this section, a transfer may be made with or without consideration, either directly or indirectly, during life or at death, whether or not in trust, of a partnership interest in the family farm partnership, and interest owned by a family farm trust is considered to be owned in equal shares by the current beneficiaries.
- (k) "Authorized farm partnership" means a limited partnership meeting the following standards:

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

(2) it has no more than five partners;

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

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

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

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

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

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

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

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

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

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

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

- (1) it has no more than five members;
- (2) all its members, other than any estate, are natural persons or family farm trusts;
- (3) it does not have more than one class of membership interests;
- (4) its revenue from rent, royalties, dividends, interest, and annuities does not exceed 20 percent of its gross receipts;
- (5) members holding 51 percent or more of both the governance rights and financial rights in the limited liability company reside on the farm or are actively engaged in farming;
- (6) it does not, directly or indirectly, own or otherwise have an interest in any title to more than 1,500 acres of agricultural land; and
- (7) none of its members are members in other authorized farm limited liability companies that directly or indirectly in combination with the authorized farm limited liability company own more than 1,500 acres of agricultural land.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

within ten years of acquiring the title. Livestock acquired by a pension or investment fund, corporation, limited partnership, or limited liability company in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after August 1, 1994, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is earlier.

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

(z) "Nonprofit corporation" means a nonprofit corporation organized under state nonprofit corporation or trust law or qualified for tax-exempt status under federal tax law that: (1) uses the land for a specific nonfarming purpose; ~~or~~; (2) leases the agricultural land to a family farm unit, a family farm corporation, an authorized farm corporation, an authorized livestock farm corporation, a family farm limited liability company, a family farm trust, an authorized farm limited liability company, a family farm partnership, or an authorized farm partnership; or (3) actively farms less than 160 acres that were acquired by the nonprofit corporation prior to August 1, 2010, or actively farms less than 40 acres that were acquired by the nonprofit corporation after August 1, 2010, and the nonprofit corporation uses all profits from the agricultural land for educational purposes.

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

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

Sec. 29. Minnesota Statutes 2008, section 514.965, subdivision 2, is amended to read:

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

Sec. 30. Minnesota Statutes 2008, section 514.966, is amended by adding a subdivision to read:

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

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

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

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

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

Sec. 31. Minnesota Statutes 2008, section 514.966, subdivision 5, is amended to read:

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

Sec. 32. Minnesota Statutes 2008, section 514.966, subdivision 6, is amended to read:

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

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

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

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

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

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

Sec. 33. Laws 2008, chapter 296, article 1, section 25, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective June 1, ~~2010~~ 2012.

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

Sec. 34. **FERTILIZER RESEARCH GRANTS; EXTENSION OF APPROPRIATION AVAILABILITY.**

Notwithstanding Minnesota Statutes, section 16A.28:

(1) the appropriation encumbered on or before June 30, 2009, for fertilizer research grants in Laws 2007, chapter 45, article 1, section 3, subdivision 5, is available until June 30, 2011;

(2) the fiscal year 2010 appropriation encumbered on or before June 30, 2011, for fertilizer research grants in Laws 2009, chapter 94, article 1, section 3, subdivision 5, is available until June 30, 2013; and

(3) the fiscal year 2011 appropriation encumbered on or before June 30, 2012, for fertilizer research grants in Laws 2009, chapter 94, article 1, section 3, subdivision 5, is available until June 30, 2014.

Sec. 35. **DAIRY RESEARCH AND EDUCATION FACILITY; COLLABORATION.**

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

Sec. 36. **APPROPRIATION; TERMINAL CAPACITY REPORT.**

\$40,000 is appropriated in fiscal year 2011 from the liquefied petroleum gas account in the special revenue fund under Minnesota Statutes, section 239.785, subdivision 6 to the commissioner of agriculture for a terminal capacity report. This is a onetime appropriation. The commissioner of agriculture, with assistance from the Office of Energy Security, shall determine the total propane and anhydrous ammonia terminal capacity located in the state and within 100 miles of the state's borders. The commissioner shall also use projected grain yields and other relevant factors to estimate total agricultural demand for propane and anhydrous ammonia in this state in the year 2020 and shall develop a detailed plan for fully and economically satisfying this anticipated demand. No later than February 1, 2011, the commissioner shall present the report to the legislative committees with jurisdiction over agriculture finance.

Sec. 37. **INDUSTRIAL HEMP REPORT.**

The commissioner of agriculture shall identify and analyze industrial hemp laws and procedures in Canada or one or more of the other 30 nations where industrial hemp is grown as an agricultural crop. In particular, the commissioner shall report on how law enforcement and other authorities differentiate between industrial hemp and marijuana growing in the field. No later than February 15, 2011, the commissioner shall present a report on this topic to the legislative committees with jurisdiction over agriculture policy and finance and provide a copy to the Minnesota Police and Peace Officers Association, the Minnesota Chiefs of Police Association, the Minnesota Sheriffs' Association, and the Minnesota County Attorneys Association.

Sec. 38. **BIOENERGY DEVELOPMENT; REPORT.**

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

Sec. 39. **FOREST PEST WORKGROUP; REPORT.**

(a) The commissioners of agriculture and natural resources shall form a workgroup and develop recommendations on how the state should address mitigation of invasive or exotic forest pests, primarily gypsy moth and emerald ash borer. The commissioners shall consult with representatives of the Forest and Animal and Plant Health Inspection Services of the United States Department of Agriculture, local units of government, the nursery industry, and the timber industry. The commissioners shall report to the legislature under Minnesota Statutes, section 3.195, no later than September 1, 2010.

(b) The recommendations must outline current funding sources for forest pest survey, treatment, quarantine, and outreach activities and must explore and evaluate alternative or additional funding options. The workgroup shall also report on:

(1) the public and private sector benefits of forest pest survey, detection, eradication and outreach efforts;

(2) potential ramifications if the state discontinues efforts to control forest pests, including but not limited to the economic and commercial impact of a statewide quarantine and the environmental consequences of forests pests left unabated;

(3) clarifying statutory and regulatory roles and responsibilities of state agencies and local units of government as well as identifying and evaluating options for consolidating these roles and responsibilities; and

(4) the roles that federal agencies play in managing and regulating invasive forest pests.

Sec. 40. **REPEALER.**

Minnesota Statutes 2008, sections 17.231; and 343.26, and Laws 2009, chapter 94, article 1, section 106, are repealed.

## ARTICLE 2

### VETERANS

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

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

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

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

Sec. 3. Minnesota Statutes 2009 Supplement, section 16C.16, subdivision 6a, is amended 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~~ by:

(1) ~~by recently separated veterans, who are veterans as defined in section 197.447,~~ who have served in active military service, at any time on or after September 11, 2001, and who have been discharged under honorable conditions from active service, 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 who are veterans as defined in section 197.447,~~ with service-connected disabilities, as determined at any time by the United States Department of Veterans Affairs; or

(3) any other veteran-owned small businesses certified under section 16C.19, paragraph (d).

(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, "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, 2010, and applies to businesses that apply for state contracts being awarded on or after that date.

Sec. 4. Minnesota Statutes 2009 Supplement, 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:~~

~~(1) it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service-disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74, and a majority of the owners of the business are recently separated veterans as provided in section 16C.16, subdivision 6a; or~~

~~(2) it has been verified by the United States Department of Veterans Affairs as being a service-disabled veteran-owned small business in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.~~

**EFFECTIVE DATE.** This section is effective July 1, 2010, and applies to businesses that apply for state contracts being awarded on or after that date.

Sec. 5. Minnesota Statutes 2008, section 123B.35, is amended to read:

#### **123B.35 GENERAL POLICY.**

It is the policy of the state of Minnesota that public school education shall be free and no pupil shall be denied an education because of economic inability to furnish educational books and supplies necessary to complete educational requirements necessary for graduation. Any practice leading to suspension, coercion, exclusion,

withholding of grades or diplomas, or discriminatory action based upon nonpayment of fees denies pupils their right to equal protection and entitled privileges. It is recognized that school boards do have the right to accept voluntary contributions ~~and~~ to make certain charges and to establish fees in areas considered extra curricular, noncurricular or supplementary to the requirements for the successful completion of a class or educational program, and to waive those fees under certain circumstances. No public school board may require, except as authorized by sections 123B.36 and 123B.38, the payment of fees.

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

Sec. 6. Minnesota Statutes 2008, section 123B.36, subdivision 6, is amended to read:

Subd. 6. **Waiver of student fees based on need.** (a) A board may waive any deposit or fee for any pupil whose parent is serving in, or within the past year has served in, active military service as defined under section 190.05.

(b) A board may waive any deposit or fee if any pupil or the pupil's parent or guardian is unable to pay it.

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

Sec. 7. Minnesota Statutes 2008, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** The commissioner of veterans affairs shall design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

(a) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET" and the letters "V" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(b) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR" and the letters "P" and "H" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(c) For a veteran who served during World War I or World War II, the plates must bear the inscription "WORLD WAR VET" and:

(1) for a World War I veteran, the characters "W" and "I" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number; or

(2) for a World War II veteran, the characters "W" and "II" with the first character directly above the second character and both characters just preceding the first numeral of the special plate number.

(d) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET" and the letters "K" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(e) For a combat wounded veteran who is a recipient of the purple heart medal, the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile on an emblem of the official purple heart medal and the letters "C" over "W" with the first letter directly over the second letter just preceding the first numeral of the special plate number.

A member of the United States armed forces who is serving actively in the military and who is a recipient of the purple heart medal is also eligible for this license plate. The commissioner of public safety shall ensure that information regarding the required proof of eligibility for any applicant under this paragraph who has not yet been issued military discharge papers is distributed to the public officials responsible for administering this section.

(f) For a Persian Gulf War veteran, the plates must bear the inscription "GULF WAR VET" and the letters "G" and "W" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number. For the purposes of this section, "Persian Gulf War veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or a nation or society allied with the United States or the United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

(g) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET" and the letters "L" and "V" with the first letter directly above the second letter and both letters just preceding the first numeral of the special plate number.

(h) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special plate number; or

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number.

(i) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

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

Sec. 8. Minnesota Statutes 2008, section 196.05, is amended by adding a subdivision to read:

**Subd. 3. Consumer satisfaction.** (a) The commissioner shall submit a memorandum each year to the governor and the chairs and ranking minority members of the house of representatives and senate standing committees with jurisdiction over the department's programs that provides the following information:

(1) the number of calls made to each of the department's help lines by consumers and citizens regarding services provided or regulated by the department;

(2) the subject matter of the call;

(3) the number of service-related calls that were resolved;

(4) the number that remain open; and

(5) the number that were without merit.

(b) The commissioner shall publish the annual memorandum on the department's Web site each year no later than March 1.

Sec. 9. Minnesota Statutes 2008, section 197.455, is amended by adding a subdivision to read:

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

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

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

Sec. 10. Minnesota Statutes 2009 Supplement, section 197.46, is amended to read:

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

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

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

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

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

deputy of any elected official or head of a department, or to any person holding a strictly confidential relation to the appointing officer. Nothing in this section shall be construed to apply to the position of teacher. The burden of establishing such relationship shall be upon the appointing officer in all proceedings and actions relating thereto.

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

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

Sec. 11. Minnesota Statutes 2008, section 197.481, subdivision 1, is amended to read:

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

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

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

Sec. 12. Minnesota Statutes 2008, section 197.481, subdivision 2, is amended to read:

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

Sec. 13. Minnesota Statutes 2008, section 197.481, subdivision 4, is amended to read:

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

Sec. 14. Minnesota Statutes 2008, section 197.585, subdivision 5, is amended to read:

Subd. 5. **Expiration.** This section expires at the end of the first fiscal year in which the number of veterans enrolled in Minnesota public institutions of higher education is fewer than 4,000, but no later than June 30, ~~2011~~ 2012.

Sec. 15. Minnesota Statutes 2008, section 197.60, subdivision 1, is amended to read:

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

Sec. 16. Minnesota Statutes 2008, section 197.601, is amended to read:

**197.601 QUALIFICATIONS OF VETERANS SERVICE OFFICERS.**

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

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

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

Sec. 17. Minnesota Statutes 2008, section 197.605, is amended to read:

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

Subdivision 1. **Methods of operation Resources available.** ~~Every veterans service officer appointed under sections 197.60 to 197.606 shall be under the general supervision of the commissioner of veterans affairs as to methods of operation.~~ The commissioner of veterans affairs shall make resources available within the Department

of Veterans Affairs to every county that operates a county veterans service office, to assist the county with maintaining efficient and effective services to veterans. To receive available resources from the department, a county must formally request them from the commissioner and invite the commissioner or the commissioner's designee or designees into the county as necessary to provide those resources. The commissioner shall consult with the Association of Minnesota Counties and the Minnesota Association of County Veterans Service Officers in developing a list of resources available to counties in support of their county veterans service offices.

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

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

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

Sec. 18. Minnesota Statutes 2008, section 197.606, is amended to read:

**197.606 CLASSED AS COUNTY EMPLOYEES.**

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

Sec. 19. Minnesota Statutes 2008, section 197.609, subdivision 1, is amended to read:

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

Sec. 20. Minnesota Statutes 2008, section 197.609, subdivision 2, is amended to read:

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

Sec. 21. Minnesota Statutes 2008, section 197.75, subdivision 1, is amended to read:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 22. Laws 2009, chapter 94, article 3, section 14, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective July 1, 2009, and applies to appointments to state and local government positions of employment made on or after that date.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to terminations after that date.

Sec. 23. **PLANNING NEW VETERANS CEMETERIES.**

The commissioner of veterans affairs shall determine a suitable site and plan for three new state veterans cemeteries, one to be located in northeastern Minnesota, one to be located in southeastern Minnesota, and one to be located in southwestern Minnesota. In determining the site for a cemetery, the commissioner shall consider available public land options and shall seek proposals for donated land from interested counties, local communities, civic organizations, veterans service organizations, and individuals.

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

(1) determining the need for the cemetery;

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

(3) assessment of impacts of the cemetery;

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

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

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

Sec. 24. **NONCOMPLIANCE.**

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

Sec. 25. **ALTERNATIVE FUNDING SOURCES.**

By January 15, 2011, the commissioner of veterans affairs shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over veterans affairs policy and finance regarding alternative funding sources for the higher education veterans assistance program under Minnesota Statutes, section 197.585.

Sec. 26. **REPEALER.**

Minnesota Statutes 2008, section 168.1251, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; clarifying certain livestock compensation provisions; regulating and classifying certain data; classifying equines as livestock; changing certain pesticide control provisions; authorizing waivers of certain fees; providing for control of bovine tuberculosis; eliminating the native grasses and wildflower seed production and incentive program; authorizing ownership of agricultural land by certain nonprofit corporations; requiring tree care and tree trimming company registration; regulating certain sale and distribution of firewood; changing certain fuel requirements; authorizing individuals and entities to take certain easements in agricultural land; eliminating a penalty; allowing a temporary lien for livestock production inputs for 45 days following a mediation request; setting a goal; requiring reports and memoranda; specifying certain procedures; clarifying the role of the commissioner and Department of Veterans Affairs in providing certain resources for the county veterans service offices; modifying a residency requirement for purposes of eligibility for higher educational benefits for the surviving spouse and children of a deceased veteran who dies as a result of military service; changing eligibility for a license plate; changing preference requirements; repealing authorization for a license plate; clarifying a state procurement preference; extending availability of certain appropriations; requiring planning for new veterans cemeteries; appropriating money; amending Minnesota Statutes 2008, sections 1.141, by adding

subdivisions; 3.737, subdivision 4; 13.635, by adding a subdivision; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 123B.35; 123B.36, subdivision 6; 168.123, subdivision 2; 196.05, by adding a subdivision; 197.455, by adding a subdivision; 197.481, subdivisions 1, 2, 4; 197.585, subdivision 5; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 239.791, by adding subdivisions; 336.9-531; 336A.08, subdivisions 1, 4; 336A.14; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivisions 5, 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 16C.16, subdivision 6a; 16C.19; 18B.316, subdivision 10; 197.46; 239.791, subdivisions 1, 1a; Laws 2008, chapter 296, article 1, section 25; Laws 2009, chapter 94, article 3, section 14; proposing coding for new law in Minnesota Statutes, chapters 17; 38; repealing Minnesota Statutes 2008, sections 17.231; 168.1251; 343.26; Laws 2009, chapter 94, article 1, section 106."

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

Senate Conferees: DAN SKOGEN, STEVE DILLE and JIM VICKERMAN.

House Conferees: AL JUHNKE, LYLE KOENEN and DOUG MAGNUS.

Juhnke moved that the report of the Conference Committee on S. F. No. 2737 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2737, A bill for an act relating to state government; changing certain pesticide control provisions; authorizing waiver of a fee; providing for control of bovine tuberculosis; eliminating the native grasses and wildflower seed production and incentive program; authorizing ownership of agricultural land by certain nonprofit corporations; requiring tree care and tree trimming company registration; regulating certain sale and distribution of firewood; authorizing individuals and entities to take certain easements in agricultural land; allowing a temporary lien for livestock production inputs for 45 days following a mediation request requiring reports; clarifying the role of the commissioner and Department of Veterans Affairs in providing certain resources for the county veterans service offices; modifying a residency requirement for purposes of eligibility for higher educational benefits for the surviving spouse and children of a deceased veteran who dies as a result of military service; repealing authorization for a license plate; repealing a requirement that the Department of Veterans Affairs report on the status of a construction project priority listing; appropriating money; amending Minnesota Statutes 2008, sections 3.737, subdivision 4; 17.03, by adding a subdivision; 18B.31, subdivision 5; 18B.36, subdivision 1; 18B.37, subdivision 4; 18G.07; 28A.082, subdivision 1; 35.244, subdivisions 1, 2; 197.60, subdivision 1; 197.601; 197.605; 197.606; 197.609, subdivisions 1, 2; 197.75, subdivision 1; 239.092; 239.093; 500.221, subdivisions 2, 4; 500.24, subdivision 2; 514.965, subdivision 2; 514.966, subdivision 6, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 3.737, subdivision 1; 18B.316, subdivision 10; Laws 2008, chapter 296, article 1, section 25; proposing coding for new law in Minnesota Statutes, chapters 17; 38; repealing Minnesota Statutes 2008, sections 17.231; 168.1251; 343.26; Laws 2009, chapter 94, article 3, section 23.

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

The question was taken on the repassage of the bill and the roll was called.

Pursuant to rule 2.05, Holberg was excused from voting on the repassage of S. F. No. 2737, as amended by Conference.

There were 128 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

Madam Speaker:

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

S. F. No. 2427.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 2427

A bill for an act relating to property held in trust; clarifying status of certain distributions; changing certain relationship and inheritance provisions; providing for emergency and temporary conservators; amending Minnesota Statutes 2008, sections 501B.64, subdivision 3; 524.1-201; 524.2-114; Minnesota Statutes 2009 Supplement, section 524.5-409; proposing coding for new law in Minnesota Statutes, chapter 524.

May 7, 2010

The Honorable James P. Metzen  
President of the Senate

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2427 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: DON BETZOLD, JULIANNE ORTMAN and LINDA SCHEID.

House Conferees: MELISSA HORTMAN, JIM DAVNIE and JENIFER LOON.

Hortman moved that the report of the Conference Committee on S. F. No. 2427 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2427, A bill for an act relating to property held in trust; clarifying status of certain distributions; changing certain relationship and inheritance provisions; providing for emergency and temporary conservators; amending Minnesota Statutes 2008, sections 501B.64, subdivision 3; 524.1-201; 524.2-114; Minnesota Statutes 2009 Supplement, section 524.5-409; proposing coding for new law in Minnesota Statutes, chapter 524.

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

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Carlson	Eastlund	Hayden	Kath	Mack
Anderson, B.	Champion	Eken	Hilstrom	Kelly	Magnus
Anderson, P.	Clark	Falk	Hilty	Kiffmeyer	Mahoney
Anderson, S.	Cornish	Faust	Holberg	Knuth	Mariani
Anzelc	Dauids	Fritz	Hoppe	Koenen	Marquart
Atkins	Davnie	Gardner	Hornstein	Kohls	Masin
Beard	Dean	Garofalo	Hortman	Laine	McFarlane
Benson	Demmer	Gottwalt	Hosch	Lanning	McNamara
Bigham	Dettmer	Greiling	Howes	Lenczewski	Morgan
Bly	Dill	Gunther	Huntley	Lesch	Morrow
Brod	Dittrich	Hackbarth	Jackson	Liebling	Mullery
Brown	Doepke	Hamilton	Johnson	Lieder	Murdock
Brynaert	Doty	Hansen	Juhnke	Lillie	Murphy, E.
Buesgens	Downey	Hausman	Kahn	Loeffler	Murphy, M.
Bunn	Draskowski	Haws	Kalin	Loon	Nelson

Newton	Pelowski	Ruud	Severson	Sterner	Wagenius
Nornes	Persell	Sailer	Shimanski	Swails	Ward
Norton	Peterson	Sanders	Simon	Thao	Walti
Obermueller	Poppe	Scalze	Slawik	Thissen	Westrom
Olin	Reinert	Scott	Slocum	Tillberry	Winkler
Otremba	Rosenthal	Seifert	Smith	Torkelson	Zellers
Paymar	Rukavina	Sertich	Solberg	Urdahl	Spk. Kelliher

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

Madam Speaker:

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

S. F. No. 2974.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 2974

A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; appropriating money; amending Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 62J.497, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 62J.

May 7, 2010

The Honorable James P. Metzen  
President of the Senate

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2974 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2974 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 62J.495, subdivision 1a, is amended to read:

Subd. 1a. **Definitions.** (a) "Certified electronic health record technology" means an electronic health record that is certified pursuant to section 3001(c)(5) of the HITECH Act to meet the standards and implementation specifications adopted under section 3004 as applicable.

(b) "Commissioner" means the commissioner of health.

(c) "Pharmaceutical electronic data intermediary" means any entity that provides the infrastructure to connect computer systems or other electronic devices utilized by prescribing practitioners with those used by pharmacies, health plans, third-party administrators, and pharmacy benefit managers in order to facilitate the secure transmission of electronic prescriptions, refill authorization requests, communications, and other prescription-related information between such entities.

(d) "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act in division A, title XIII and division B, title IV of the American Recovery and Reinvestment Act of 2009, including federal regulations adopted under that act.

(e) "Interoperable electronic health record" means an electronic health record that securely exchanges health information with another electronic health record system that meets requirements specified in subdivision 3, and national requirements for certification under the HITECH Act.

(f) "Qualified electronic health record" means an electronic record of health-related information on an individual that includes patient demographic and clinical health information and has the capacity to:

(1) provide clinical decision support;

(2) support physician order entry;

(3) capture and query information relevant to health care quality; and

(4) exchange electronic health information with, and integrate such information from, other sources.

Sec. 2. Minnesota Statutes 2009 Supplement, section 62J.495, subdivision 3, is amended to read:

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

(a) The electronic health record must be a qualified electronic health record.

(b) The electronic health record must be certified by the Office of the National Coordinator pursuant to the HITECH Act. This criterion only applies to hospitals and health care providers ~~only~~ if a certified electronic health record product for the provider's particular practice setting is available. This criterion shall be considered met if a hospital or health care provider is using an electronic health records system that has been certified within the last three years, even if a more current version of the system has been certified within the three-year period.

(c) The electronic health record must meet the standards established according to section 3004 of the HITECH Act as applicable.

(d) The electronic health record must have the ability to generate information on clinical quality measures and other measures reported under sections 4101, 4102, and 4201 of the HITECH Act.

(e) The electronic health record system must be connected to a state-certified health information organization either directly or through a connection facilitated by a state-certified health data intermediary as defined in section 62J.498.

~~(e)~~ (f) A health care provider who is a prescriber or dispenser of legend drugs must have an electronic health record system that meets the requirements of section 62J.497.

Sec. 3. Minnesota Statutes 2009 Supplement, section 62J.495, is amended by adding a subdivision to read:

Subd. 6. **State agency information system.** Development of state agency information systems necessary to implement this section is subject to the authority of the Office of Enterprise Technology in chapter 16E, including, but not limited to:

(1) evaluation and approval of the system as specified in section 16E.03, subdivisions 3 and 4;

(2) review of the system to ensure compliance with security policies, guidelines, and standards as specified in section 16E.03, subdivision 7; and

(3) assurance that the system complies with accessibility standards developed under section 16E.03, subdivision 9.

Sec. 4. Minnesota Statutes 2009 Supplement, section 62J.497, subdivision 4, is amended to read:

Subd. 4. **Development and use of uniform formulary exception form.** (a) The commissioner of health, in consultation with the Minnesota Administrative Uniformity Committee, shall develop by July 1, 2009, a uniform formulary exception form that allows health care providers to request exceptions from group purchaser formularies using a uniform form. Upon development of the form, all health care providers must submit requests for formulary exceptions using the uniform form, and all group purchasers must accept this form from health care providers.

(b) No later than January 1, 2011, the uniform formulary exception form must be accessible and submitted by health care providers, and accepted and processed by group purchasers, through secure electronic transmissions. ~~Facsimile shall not be considered secure electronic transmissions.~~

Sec. 5. Minnesota Statutes 2009 Supplement, section 62J.497, subdivision 5, is amended to read:

Subd. 5. **Electronic drug prior authorization standardization and transmission.** (a) The commissioner of health, in consultation with the Minnesota e-Health Advisory Committee and the Minnesota Administrative Uniformity Committee, shall, by February 15, 2010, identify an outline on how best to standardize drug prior authorization request transactions between providers and group purchasers with the goal of maximizing administrative simplification and efficiency in preparation for electronic transmissions.

(b) By January 1, 2014, the Minnesota Administrative Uniformity Committee shall develop the standard companion guide by which providers and group purchasers will exchange standard drug authorization requests using electronic data interchange standards, if available, with the goal of alignment with standards that are or will potentially be used nationally.

~~(c)~~ (c) No later than January 1, ~~2011~~ 2015, drug prior authorization requests must be accessible and submitted by health care providers, and accepted by group purchasers, electronically through secure electronic transmissions. Facsimile shall not be considered electronic transmission.

Sec. 6. **[62J.498] HEALTH INFORMATION EXCHANGE.**

Subdivision 1. **Definitions.** The following definitions apply to sections 62J.498 to 62J.4982:

(a) "Clinical transaction" means any meaningful use transaction that is not covered by section 62J.536.

(b) "Commissioner" means the commissioner of health.

(c) "Direct health information exchange" means the electronic transmission of health-related information through a direct connection between the electronic health record systems of health care providers without the use of a health data intermediary.

(d) "Health care provider" or "provider" means a health care provider or provider as defined in section 62J.03, subdivision 8.

(e) "Health data intermediary" means an entity that provides the infrastructure to connect computer systems or other electronic devices used by health care providers, laboratories, pharmacies, health plans, third-party administrators, or pharmacy benefit managers to facilitate the secure transmission of health information, including pharmaceutical electronic data intermediaries as defined in section 62J.495. This does not include health care providers engaged in direct health information exchange.

(f) "Health information exchange" means the electronic transmission of health-related information between organizations according to nationally recognized standards.

(g) "Health information exchange service provider" means a health data intermediary or health information organization that has been issued a certificate of authority by the commissioner under section 62J.4981.

(h) "Health information organization" means an organization that oversees, governs, and facilitates the exchange of health-related information among organizations according to nationally recognized standards.

(i) "HITECH Act" means the Health Information Technology for Economic and Clinical Health Act as defined in section 62J.495.

(j) "Major participating entity" means:

(1) a participating entity that receives compensation for services that is greater than 30 percent of the health information organization's gross annual revenues from the health information exchange service provider;

(2) a participating entity providing administrative, financial, or management services to the health information organization, if the total payment for all services provided by the participating entity exceeds three percent of the gross revenue of the health information organization; and

(3) a participating entity that nominates or appoints 30 percent or more of the board of directors of the health information organization.

(k) "Meaningful use" means use of certified electronic health record technology that includes e-prescribing, and is connected in a manner that provides for the electronic exchange of health information and used for the submission of clinical quality measures as established by the Center for Medicare and Medicaid Services and the Minnesota Department of Human Services pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

(l) "Meaningful use transaction" means an electronic transaction that a health care provider must exchange to receive Medicare or Medicaid incentives or avoid Medicare penalties pursuant to sections 4101, 4102, and 4201 of the HITECH Act.

(m) "Participating entity" means any of the following persons, health care providers, companies, or other organizations with which a health information organization or health data intermediary has contracts or other agreements for the provision of health information exchange service providers:

(1) a health care facility licensed under sections 144.50 to 144.56, a nursing home licensed under sections 144A.02 to 144A.10, and any other health care facility otherwise licensed under the laws of this state or registered with the commissioner;

(2) a health care provider, and any other health care professional otherwise licensed under the laws of this state or registered with the commissioner;

(3) a group, professional corporation, or other organization that provides the services of individuals or entities identified in clause (2), including but not limited to a medical clinic, a medical group, a home health care agency, an urgent care center, and an emergent care center;

(4) a health plan as defined in section 62A.011, subdivision 3; and

(5) a state agency as defined in section 13.02, subdivision 17.

(n) "Reciprocal agreement" means an arrangement in which two or more health information exchange service providers agree to share in-kind services and resources to allow for the pass-through of meaningful use transactions.

(o) "State-certified health data intermediary" means a health data intermediary that:

(1) provides a subset of the meaningful use transaction capabilities necessary for hospitals and providers to achieve meaningful use of electronic health records;

(2) is not exclusively engaged in the exchange of meaningful use transactions covered by section 62J.536; and

(3) has been issued a certificate of authority to operate in Minnesota.

(p) "State-certified health information organization" means a nonprofit health information organization that provides transaction capabilities necessary to fully support clinical transactions required for meaningful use of electronic health records that has been issued a certificate of authority to operate in Minnesota.

**Subd. 2. Health information exchange oversight.** (a) The commissioner shall protect the public interest on matters pertaining to health information exchange. The commissioner shall:

(1) review and act on applications from health data intermediaries and health information organizations for certificates of authority to operate in Minnesota;

(2) provide ongoing monitoring to ensure compliance with criteria established under sections 62J.498 to 62J.4982;

(3) respond to public complaints related to health information exchange services;

(4) take enforcement actions as necessary, including the imposition of fines, suspension, or revocation of certificates of authority as outlined in section 62J.4982;

(5) provide a biennial report on the status of health information exchange services that includes but is not limited to:

(i) recommendations on actions necessary to ensure that health information exchange services are adequate to meet the needs of Minnesota citizens and providers statewide;

(ii) recommendations on enforcement actions to ensure that health information exchange service providers act in the public interest without causing disruption in health information exchange services;

(iii) recommendations on updates to criteria for obtaining certificates of authority under this section; and

(iv) recommendations on standard operating procedures for health information exchange, including but not limited to the management of consumer preferences;

(6) other duties necessary to protect the public interest.

(b) As part of the application review process for certification under paragraph (a), prior to issuing a certificate of authority, the commissioner shall:

(1) hold public hearings that provide an adequate opportunity for participating entities and consumers to provide feedback and recommendations on the application under consideration. The commissioner shall make all portions of the application classified as public data available to the public at least ten days in advance of the hearing. The applicant shall participate in the hearing by presenting an overview of their application and responding to questions from interested parties;

(2) make available all feedback and recommendations gathered at the hearing available to the public prior to issuing a certificate of authority; and

(3) consult with hospitals, physicians, and other professionals eligible to receive meaningful use incentive payments or subject to penalties as established in the HITECH Act, and their respective statewide associations, prior to issuing a certificate of authority.

(c) When the commissioner is actively considering a suspension or revocation of a certificate of authority as described in section 62J.4982, subdivision 3, all investigatory data that are collected, created, or maintained related to the suspension or revocation are classified as confidential data on individuals and as protected nonpublic data in the case of data not on individuals.

(d) The commissioner may disclose data classified as protected nonpublic or confidential under paragraph (c) if disclosing the data will protect the health or safety of patients.

(e) After the commissioner makes a final determination regarding a suspension or revocation of a certificate of authority, all minutes, orders for hearing, findings of fact, conclusions of law, and the specification of the final disciplinary action, are classified as public data.

**Sec. 7. [62J.4981] CERTIFICATE OF AUTHORITY TO PROVIDE HEALTH INFORMATION EXCHANGE SERVICES.**

**Subdivision 1. Authority to require organizations to apply.** The commissioner shall require an entity providing health information exchange services to apply for a certificate of authority under this section. An applicant may continue to operate until the commissioner acts on the application. If the application is denied, the applicant is considered a health information organization whose certificate of authority has been revoked under section 62J.4982, subdivision 2, paragraph (d).

**Subd. 2. Certificate of authority for health data intermediaries.** (a) A health data intermediary that provides health information exchange services for the transmission of one or more clinical transactions necessary for hospitals, providers, or eligible professionals to achieve meaningful use must be registered with the state and comply with requirements established in this section.

(b) Notwithstanding any law to the contrary, any corporation organized to do so may apply to the commissioner for a certificate of authority to establish and operate as a health data intermediary in compliance with this section. No person shall establish or operate a health data intermediary in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health data intermediary contract unless the organization has a certificate of authority or has an application under active consideration under this section.

(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:

(1) interoperate with at least one state-certified health information organization;

(2) provide an option for Minnesota entities to connect to their services through at least one state-certified health information organization;

(3) have a record locator service as defined in section 144.291, subdivision 2, paragraph (i), that is compliant with the requirements of section 144.293, subdivision 8, when conducting meaningful use transactions; and

(4) hold reciprocal agreements with at least one state-certified health information organization to enable access to record locator services to find patient data, and for the transmission and receipt of meaningful use transactions consistent with the format and content required by national standards established by Centers for Medicare and Medicaid Services. Reciprocal agreements must meet the requirements established in subdivision 5.

Subd. 3. **Certificate of authority for health information organizations.** (a) A health information organization that provides all electronic capabilities for the transmission of clinical transactions necessary for meaningful use of electronic health records must obtain a certificate of authority from the commissioner and demonstrate compliance with the criteria in paragraph (c).

(b) Notwithstanding any law to the contrary, a nonprofit corporation organized to do so may apply for a certificate of authority to establish and operate a health information organization under this section. No person shall establish or operate a health information organization in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health information organization or health information contract unless the organization has a certificate of authority under this section.

(c) In issuing the certificate of authority, the commissioner shall determine whether the applicant for the certificate of authority has demonstrated that the applicant meets the following minimum criteria:

(1) the entity is a legally established, nonprofit organization;

(2) appropriate insurance, including liability insurance, for the operation of the health information organization is in place and sufficient to protect the interest of the public and participating entities;

(3) strategic and operational plans clearly address how the organization will expand technical capacity of the health information organization to support providers in achieving meaningful use of electronic health records over time;

(4) the entity addresses the parameters to be used with participating entities and other health information organizations for meaningful use transactions, compliance with Minnesota law, and interstate health information exchange in trust agreements;

(5) the entity's board of directors is composed of members that broadly represent the health information organization's participating entities and consumers;

(6) the entity maintains a professional staff responsible to the board of directors with the capacity to ensure accountability to the organization's mission;

(7) the organization is compliant with criteria established under the Health Information Exchange Accreditation Program of the Electronic Healthcare Network Accreditation Commission (EHNAC) or equivalent criteria established by the commissioner;

(8) the entity maintains a record locator service as defined in section 144.291, subdivision 2, paragraph (i), that is compliant with the requirements of section 144.293, subdivision 8, when conducting meaningful use transactions;

(9) the organization demonstrates interoperability with all other state-certified health information organizations using nationally recognized standards;

(10) the organization demonstrates compliance with all privacy and security requirements required by state and federal law; and

(11) the organization uses financial policies and procedures consistent with generally accepted accounting principles and has an independent audit of the organization's financials on an annual basis.

(d) Health information organizations that have obtained a certificate of authority must:

(1) meet the requirements established for connecting to the Nationwide Health Information Network (NHIN) within the federally mandated timeline or within a time frame established by the commissioner and published in the State Register. If the state timeline for implementation varies from the federal timeline, the State Register notice shall include an explanation for the variation;

(2) annually submit strategic and operational plans for review by the commissioner that address:

(i) increasing adoption rates to include a sufficient number of participating entities to achieve financial sustainability; and

(ii) progress in achieving objectives included in previously submitted strategic and operational plans across the following domains: business and technical operations, technical infrastructure, legal and policy issues, finance, and organizational governance;

(3) develop and maintain a business plan that addresses:

(i) plans for ensuring the necessary capacity to support meaningful use transactions;

(ii) approach for attaining financial sustainability, including public and private financing strategies, and rate structures;

(iii) rates of adoption, utilization, and transaction volume, and mechanisms to support health information exchange; and

(iv) an explanation of methods employed to address the needs of community clinics, critical access hospitals, and free clinics in accessing health information exchange services;

(4) annually submit a rate plan to the commissioner outlining fee structures for health information exchange services for approval by the commissioner. The commissioner shall approve the rate plan if it:

(i) distributes costs equitably among users of health information services;

(ii) provides predictable costs for participating entities;

(iii) covers all costs associated with conducting the full range of meaningful use clinical transactions, including access to health information retrieved through other state-certified health information exchange service providers; and

(iv) provides for a predictable revenue stream for the health information organization and generates sufficient resources to maintain operating costs and develop technical infrastructure necessary to serve the public interest;

(5) enter into reciprocal agreements with all other state-certified health information organizations to enable access to record locator services to find patient data, and transmission and receipt of meaningful use transactions consistent with the format and content required by national standards established by Centers for Medicare and Medicaid Services. Reciprocal agreements must meet the requirements in subdivision 5; and

(6) comply with additional requirements for the certification or recertification of health information organizations that may be established by the commissioner.

**Subd. 4. Application for certificate of authority for health information exchange service providers.**

(a) Each application for a certificate of authority shall be in a form prescribed by the commissioner and verified by an officer or authorized representative of the applicant. Each application shall include the following:

(1) a copy of the basic organizational document, if any, of the applicant and of each major participating entity, such as the articles of incorporation, or other applicable documents, and all amendments to it;

(2) a list of the names, addresses, and official positions of the following:

(i) all members of the board of directors, and the principal officers and, if applicable, shareholders of the applicant organization; and

(ii) all members of the board of directors, and the principal officers of each major participating entity and, if applicable, each shareholder beneficially owning more than ten percent of any voting stock of the major participating entity;

(3) the name and address of each participating entity and the agreed-upon duration of each contract or agreement if applicable;

(4) a copy of each standard agreement or contract intended to bind the participating entities and the health information organization. Contractual provisions shall be consistent with the purposes of this section, in regard to the services to be performed under the standard agreement or contract, the manner in which payment for services is determined, the nature and extent of responsibilities to be retained by the health information organization, and contractual termination provisions;

(5) a copy of each contract intended to bind major participating entities and the health information organization. Contract information filed with the commissioner under this section shall be nonpublic as defined in section 13.02, subdivision 9;

(6) a statement generally describing the health information organization, its health information exchange contracts, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide participants with comprehensive health information exchange services;

(7) financial statements showing the applicant's assets, liabilities, and sources of financial support, including a copy of the applicant's most recent certified financial statement;

(8) strategic and operational plans that specifically address how the organization will expand technical capacity of the health information organization to support providers in achieving meaningful use of electronic health records over time, a description of the proposed method of marketing the services, a schedule of proposed charges, and a financial plan that includes a three-year projection of the expenses and income and other sources of future capital;

(9) a statement reasonably describing the geographic area or areas to be served and the type or types of participants to be served;

(10) a description of the complaint procedures to be used as required under this section;

(11) a description of the mechanism by which participating entities will have an opportunity to participate in matters of policy and operation;

(12) a copy of any pertinent agreements between the health information organization and insurers, including liability insurers, demonstrating coverage is in place;

(13) a copy of the conflict of interest policy that applies to all members of the board of directors and the principal officers of the health information organization; and

(14) other information as the commissioner may reasonably require to be provided.

(b) Within 30 days after the receipt of the application for a certificate of authority, the commissioner shall determine whether or not the application submitted meets the requirements for completion in paragraph (a), and notify the applicant of any further information required for the application to be processed.

(c) Within 90 days after the receipt of a complete application for a certificate of authority, the commissioner shall issue a certificate of authority to the applicant if the commissioner determines that the applicant meets the minimum criteria requirements of subdivision 2 for health data intermediaries or subdivision 3 for health information organizations. If the commissioner determines that the applicant is not qualified, the commissioner shall notify the applicant and specify the reasons for disqualification.

(d) Upon being granted a certificate of authority to operate as a health information organization, the organization must operate in compliance with the provisions of this section. Noncompliance may result in the imposition of a fine or the suspension or revocation of the certificate of authority according to section 62J.4982.

**Subd. 5. Reciprocal agreements between health information exchange entities.** (a) Reciprocal agreements between two health information organizations or between a health information organization and a health data intermediary must include a fair and equitable model for charges between the entities that:

(1) does not impede the secure transmission of transactions necessary to achieve meaningful use;

(2) does not charge a fee for the exchange of meaningful use transactions transmitted according to nationally recognized standards where no additional value-added service is rendered to the sending or receiving health information organization or health data intermediary either directly or on behalf of the client;

(3) is consistent with fair market value and proportionately reflects the value-added services accessed as a result of the agreement; and

(4) prevents health care stakeholders from being charged multiple times for the same service.

(b) Reciprocal agreements must include comparable quality of service standards that ensure equitable levels of services.

(c) Reciprocal agreements are subject to review and approval by the commissioner.

(d) Nothing in this section precludes a state-certified health information organization or state-certified health data intermediary from entering into contractual agreements for the provision of value-added services beyond meaningful use.

(e) The commissioner of human services or health, when providing access to data or services through a certified health information organization, must offer the same data or services directly through any certified health information organization at the same pricing, if the health information organization pays for all connection costs to the state data or service. For all external connectivity to the respective agencies through existing or future information exchange implementations, the respective agency shall establish the required connectivity methods as well as protocol standards to be utilized.

Subd. 6. **State participation in health information exchange.** A state agency that connects to a health information exchange service provider for the purpose of exchanging meaningful use transactions must ensure that the contracted health information exchange service provider has reciprocal agreements in place as required by this section. The reciprocal agreements must provide equal access to information supplied by the agency as necessary for meaningful use by the participating entities of the other health information service providers.

Sec. 8. **[62J.4982] ENFORCEMENT AUTHORITY; COMPLIANCE.**

Subdivision 1. **Penalties and enforcement.** (a) The commissioner may, for any violation of statute or rule applicable to a health information exchange service provider, levy an administrative penalty in an amount up to \$25,000 for each violation. In determining the level of an administrative penalty, the commissioner shall consider the following factors:

(1) the number of participating entities affected by the violation;

(2) the effect of the violation on participating entities' access to health information exchange services;

(3) if only one participating entity is affected, the effect of the violation on the patients of that entity;

(4) whether the violation is an isolated incident or part of a pattern of violations;

(5) the economic benefits derived by the health information organization or a health data intermediary by virtue of the violation;

(6) whether the violation hindered or facilitated an individual's ability to obtain health care;

(7) whether the violation was intentional;

(8) whether the violation was beyond the direct control of the health information exchange service provider;

(9) any history of prior compliance with the provisions of this section, including violations;

(10) whether and to what extent the health information exchange service provider attempted to correct previous violations;

(11) how the health information exchange service provider responded to technical assistance from the commissioner provided in the context of a compliance effort; and

(12) the financial condition of the health information exchange service provider including, but not limited to, whether the health information exchange service provider had financial difficulties that affected its ability to comply or whether the imposition of an administrative monetary penalty would jeopardize the ability of the health information exchange service provider to continue to deliver health information exchange services.

The commissioner shall give reasonable notice in writing to the health information exchange service provider of the intent to levy the penalty and the reasons for them. A health information exchange service provider may have 15 days within which to contest whether the facts found constitute a violation of sections 62J.4981 and 62J.4982, according to the contested case and judicial review provisions of sections 14.57 to 14.69.

(b) If the commissioner has reason to believe that a violation of section 62J.4981 or 62J.4982 has occurred or is likely, the commissioner may confer with the persons involved before commencing action under subdivision 2. The commissioner may notify the health information exchange service provider and the representatives, or other persons who appear to be involved in the suspected violation, to arrange a voluntary conference with the alleged violators or their authorized representatives. The purpose of the conference is to attempt to learn the facts about the suspected violation and, if it appears that a violation has occurred or is threatened, to find a way to correct or prevent it. The conference is not governed by any formal procedural requirements, and may be conducted as the commissioner considers appropriate.

(c) The commissioner may issue an order directing a health information exchange service provider or a representative of a health information exchange service provider to cease and desist from engaging in any act or practice in violation of sections 62J.4981 and 62J.4982.

(d) Within 20 days after service of the order to cease and desist, a health information exchange service provider may contest whether the facts found constitute a violation of sections 62J.4981 and 62J.4982 according to the contested case and judicial review provisions of sections 14.57 to 14.69.

(e) In the event of noncompliance with a cease and desist order issued under this subdivision, the commissioner may institute a proceeding to obtain injunctive relief or other appropriate relief in Ramsey County District Court.

Subd. 2. **Suspension or revocation of certificates of authority.** (a) The commissioner may suspend or revoke a certificate of authority issued to a health data intermediary or health information organization under section 62J.4981 if the commissioner finds that:

(1) the health information exchange service provider is operating significantly in contravention of its basic organizational document, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62J.4981, unless amendments to the submissions have been filed with and approved by the commissioner;

(2) the health information exchange service provider is unable to fulfill its obligations to furnish comprehensive health information exchange services as required under its health information exchange contract;

(3) the health information exchange service provider is no longer financially solvent or may not reasonably be expected to meet its obligations to participating entities;

(4) the health information exchange service provider has failed to implement the complaint system in a manner designed to reasonably resolve valid complaints;

(5) the health information exchange service provider, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misleading, deceptive, or unfair manner;

(6) the continued operation of the health information exchange service provider would be hazardous to its participating entities or the patients served by the participating entities; or

(7) the health information exchange service provider has otherwise failed to substantially comply with section 62J.4981 or with any other statute or administrative rule applicable to health information exchange service providers, or has submitted false information in any report required under sections 62J.498 to 62J.4982.

(b) A certificate of authority shall be suspended or revoked only after meeting the requirements of subdivision 3.

(c) If the certificate of authority of a health information exchange service provider is suspended, the health information exchange service provider shall not, during the period of suspension, enroll any additional participating entities, and shall not engage in any advertising or solicitation.

(d) If the certificate of authority of a health information exchange service provider is revoked, the organization shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as necessary to the orderly conclusion of the affairs of the organization. The organization shall engage in no further advertising or solicitation. The commissioner may, by written order, permit further operation of the organization as the commissioner finds to be in the best interest of participating entities, to the end that participating entities will be given the greatest practical opportunity to access continuing health information exchange services.

Subd. 3. **Denial, suspension, and revocation; administrative procedures.** (a) When the commissioner has cause to believe that grounds for the denial, suspension, or revocation of a certificate of authority exist, the commissioner shall notify the health information exchange service provider in writing stating the grounds for denial, suspension, or revocation and setting a time within 20 days for a hearing on the matter.

(b) After a hearing before the commissioner at which the health information exchange service provider may respond to the grounds for denial, suspension, or revocation, or upon the failure of the health information exchange service provider to appear at the hearing, the commissioner shall take action as deemed necessary and shall issue written findings and mail them to the health information exchange service provider.

(c) If suspension, revocation, or administrative penalty is proposed according to this section, the commissioner must deliver, or send by certified mail with return receipt requested, to the health information exchange service provider written notice of the commissioner's intent to impose a penalty. This notice of proposed determination must include:

(1) a reference to the statutory basis for the penalty;

(2) a description of the findings of fact regarding the violations with respect to which the penalty is proposed;

(3) the nature and amount of the proposed penalty;

(4) any circumstances described in subdivision 1, paragraph (a), that were considered in determining the amount of the proposed penalty;

(5) instructions for responding to the notice, including a statement of the health information exchange service provider's right to a contested case proceeding and a statement that failure to request a contested case proceeding within 30 calendar days permits the imposition of the proposed penalty; and

(6) the address to which the contested case proceeding request must be sent.

**Subd. 4. Coordination.** (a) The commissioner shall, to the extent possible, seek the advice of the Minnesota e-Health Advisory Committee, in the review and update of criteria for the certification and recertification of health information exchange service providers when implementing sections 62J.498 to 62J.4982.

(b) By January 1, 2011, the commissioner shall report to the governor and the chairs of the senate and house of representatives committees having jurisdiction over health information policy issues on the status of health information exchange in Minnesota, and provide recommendations on further action necessary to facilitate the secure electronic movement of health information among health providers that will enable Minnesota providers and hospitals to meet meaningful use exchange requirements.

**Subd. 5. Fees and monetary penalties.** (a) The commissioner shall assess fees on every health information exchange service provider subject to sections 62J.4981 and 62J.4982 as follows:

(1) filing an application for certificate of authority to operate as a health information organization, \$10,500;

(2) filing an application for certificate of authority to operate as a health data intermediary, \$7,000;

(3) annual health information organization certificate fee, \$14,000;

(4) annual health data intermediary certificate fee, \$7,000; and

(5) fees for other filings, as specified by rule.

(b) Administrative monetary penalties imposed under this subdivision shall be credited to an account in the special revenue fund and are appropriated to the commissioner for the purposes of sections 62J.498 to 62J.4982.

#### **Sec. 9. FEDERAL FUNDING.**

To the extent that the commissioner of health applies for additional federal funding to support the commissioner's responsibilities of developing and maintaining state-level health information exchange under section 3013 of the HITECH Act, the commissioner of health shall ensure that applications are made through an open process that provides health information exchange service providers equal opportunity to receive funding.

#### **Sec. 10. NONSUBMISSION OF HEALTH CARE CLAIM BY CLEARINGHOUSE; SIGNIFICANT DISRUPTION.**

A situation shall be considered a significant disruption to normal operations that materially affects the provider's or facility's ability to conduct business in a normal manner and to submit claims on a timely basis under Minnesota Statutes, section 62Q.75, if:

(1) a clearinghouse loses, or otherwise does not submit, a health care claim as required by Minnesota Statutes, section 62J.536; and

(2) the provider or facility can substantiate that it submitted a complete claim to the clearinghouse within provisions stated in contract or six months of the date of service, whichever is less.

This section expires January 1, 2012.

Sec. 11. **APPROPRIATION; HEALTH INFORMATION EXCHANGE OVERSIGHT.**

\$104,000 in fiscal year 2011 is appropriated from the state government special revenue fund to the commissioner of health for the duties required under Minnesota Statutes, sections 62J.498 to 62J.4982. Base funding shall be \$97,000 in fiscal year 2012 and \$97,000 in fiscal year 2013."

Delete the title and insert:

"A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; defining significant disruption to normal operations; appropriating money; amending Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 62J.497, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 62J."

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

Senate Conferees: TONY LOUREY, YVONNE PRETTNER SOLON and JULIE ROSEN.

House Conferees: THOMAS HUNTLEY, MARIA RUUD and JIM ABELER.

Huntley moved that the report of the Conference Committee on S. F. No. 2974 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Hortman to the Chair.

S. F. No. 2974, A bill for an act relating to health; amending provisions for electronic health record technology; providing for administrative penalties; appropriating money; amending Minnesota Statutes 2009 Supplement, sections 62J.495, subdivisions 1a, 3, by adding a subdivision; 62J.497, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 62J.

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

The question was taken on the repassage of the bill and the roll was called. There were 102 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Benson	Carlson	Doty	Greiling	Hilstrom
Anderson, P.	Bigham	Clark	Eken	Hamilton	Hilty
Anderson, S.	Bly	Cornish	Falk	Hansen	Hornstein
Anzelc	Brown	Demmer	Faust	Hausman	Hortman
Atkins	Brynaert	Dill	Fritz	Haws	Hosch
Beard	Bunn	Dittrich	Gardner	Hayden	Huntley

Jackson	Lesch	McNamara	Obermueller	Ruud	Thao
Johnson	Liebling	Morgan	Olin	Sailer	Thissen
Juhnke	Lieder	Morrow	Otremba	Scalze	Tillberry
Kahn	Lillie	Mullery	Paymar	Sertich	Torkelson
Kalin	Loeffler	Murdock	Pelowski	Simon	Urdahl
Kath	Magnus	Murphy, E.	Persell	Slawik	Wagenius
Knuth	Mahoney	Murphy, M.	Peterson	Slocum	Ward
Koenen	Mariani	Nelson	Poppe	Smith	Welti
Laine	Marquart	Newton	Reinert	Solberg	Westrom
Lanning	Masin	Nornes	Rosenthal	Sterner	Winkler
Lenczewski	McFarlane	Norton	Rukavina	Swails	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Davnie	Draskowski	Hackbarth	Kiffmeyer	Scott
Brod	Dean	Eastlund	Holberg	Kohls	Seifert
Buesgens	Dettmer	Garofalo	Hoppe	Loon	Severson
Champion	Doepke	Gottwalt	Howes	Mack	Shimanski
Davids	Downey	Gunther	Kelly	Sanders	Zellers

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

Madam Speaker:

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

S. F. No. 1481.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 1481

A bill for an act relating to the budget reserve; modifying priorities for additional revenues in general fund forecasts; requiring a report; amending Minnesota Statutes 2008, sections 16A.103, subdivisions 1a, 1b, by adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.152, subdivision 2, by adding a subdivision.

May 6, 2010

The Honorable James P. Metzen  
President of the Senate

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1481 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 1481 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **RETIREMENT INCENTIVE.**

Subdivision 1. **Eligibility.** (a) An eligible appointing authority may provide the retirement incentive in this section to an employee who:

(1) has at least 15 years of allowable service in one or more of the funds listed in Minnesota Statutes, section 356.30, subdivision 3, or has at least 15 years of coverage by the individual retirement account plan governed by Minnesota Statutes, chapter 354B, and upon retirement is immediately eligible for a retirement annuity or benefit from one or more of these funds;

(2) accepts the incentive no later than December 31, 2010, and retires no later than June 30, 2011; and

(3) is not in receipt of a retirement plan, retirement annuity, retirement allowance, or service pension from a fund listed in Minnesota Statutes, section 356.30, subdivision 3, during the month preceding the termination of qualified employment.

(b) An eligible appointing authority is any appointing authority in the executive, legislative, or judicial branch of state government, the Public Employees Retirement Association, the Minnesota State Retirement System, the Teachers Retirement Association, or the Minnesota State Colleges and Universities.

(c) An elected official is not eligible to receive an incentive under this section.

(d) An employee who, after termination of employment, receives an employer contribution for health insurance may not receive a payment for health insurance under this section from that appointing authority.

Subd. 2. **Incentive.** For an employee eligible under subdivision 1, the appointing authority will deposit into the employee's account in the health care savings plan established in Minnesota Statutes, section 352.98, up to 24 months of the employer contribution, as specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminates service, for health and dental insurance for the employee, and, if the employee had dependent coverage immediately before retirement, for the employee's dependents. The contributions provided under this section are those the employee was receiving as of the date of termination, subject to any changes in contributions specified in the collective bargaining agreement or compensation plan covering the position from which the employee terminated service.

Subd. 3. **Employer discretion; implementation.** Provision of an incentive under this section is at the discretion of the appointing authority. Appointing authorities in the executive branch must apply for approval from the commissioner of management and budget before providing early retirement incentives under this section. All appointing authorities and the commissioner's review must give consideration to issues such as equity within the agency, budgetary constraints, and workforce planning concerns. The appointing authority will determine the date of retirement upon consultation with the employee. Unilateral implementation of this section by the appointing authority is not an unfair labor practice under Minnesota Statutes, chapter 179A.

Subd. 4. **Acceptance.** An employee who is eligible for an incentive under this section, who is offered an incentive by the appointing authority, and who accepts the incentive offer must do so in writing. A copy of the acceptance document must be provided by the appointing authority to the applicable retirement plan within 15 days of its execution.

**Subd. 5. Reemployment prohibition.** An individual who receives an incentive payment under this section may not be reemployed or hired as a consultant by any agency or entity that participates in the State Employee Group Insurance Program for a period of three years after termination of service.

**Subd. 6. Report.** The commissioner of management and budget must report to the legislature by April 2, 2011, regarding use of the retirement incentive for calendar year 2010, with a recommendation regarding renewal of the incentive.

**Sec. 2. EFFECTIVE DATE.**

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to state government finance; authorizing retirement incentives for certain state employees."

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

Senate Conferees: RICHARD COHEN, TARRYL CLARK and LEROY STUMPF.

House Conferees: LOREN SOLBERG, LYNDON CARLSON and STEVE SMITH.

Solberg moved that the report of the Conference Committee on S. F. No. 1481 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1481, A bill for an act relating to the budget reserve; modifying priorities for additional revenues in general fund forecasts; requiring a report; amending Minnesota Statutes 2008, sections 16A.103, subdivisions 1a, 1b, by adding a subdivision; 16A.11, subdivision 1, by adding a subdivision; 16A.152, subdivision 2, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Abeler	Champion	Faust	Hilty	Kath	Magnus
Anderson, P.	Clark	Fritz	Hornstein	Knuth	Mahoney
Anzelc	Cornish	Gardner	Hortman	Koenen	Mariani
Atkins	Davids	Garofalo	Hosch	Laine	Marquart
Benson	Davnie	Greiling	Howes	Lanning	Masin
Bigham	Demmer	Hamilton	Huntley	Lenczewski	McFarlane
Bly	Dill	Hansen	Jackson	Lesch	McNamara
Brown	Dittrich	Hausman	Johnson	Liebling	Morgan
Brynaert	Doty	Haws	Juhnke	Lieder	Morrow
Bunn	Eken	Hayden	Kahn	Lillie	Mullery
Carlson	Falk	Hilstrom	Kalin	Loeffler	Murdock

Murphy, E.	Olin	Reinert	Simon	Thao	Welti
Murphy, M.	Otremba	Rosenthal	Slawik	Thissen	Westrom
Nelson	Paymar	Rukavina	Slocum	Tillberry	Winkler
Newton	Pelowski	Ruud	Smith	Torkelson	Spk. Kelliher
Nornes	Persell	Sailer	Solberg	Urdahl	
Norton	Peterson	Scalze	Sterner	Wagenius	
Obermueller	Poppe	Sertich	Swails	Ward	

Those who voted in the negative were:

Anderson, B.	Dean	Eastlund	Hoppe	Mack	Shimanski
Anderson, S.	Dettmer	Gottwalt	Kelly	Sanders	Zellers
Beard	Doepke	Gunther	Kiffmeyer	Scott	
Brod	Downey	Hackbarth	Kohls	Seifert	
Buesgens	Drazkowski	Holberg	Loon	Severson	

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

Madam Speaker:

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

S. F. No. 2790.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 2790

A bill for an act relating to public safety; modifying provisions related to certain juvenile records; authorizing the expungement of certain juvenile records; authorizing the commissioner of human services to grant set asides or variances for certain individuals disqualified from licensure because of an offense committed as a juvenile; requiring chemical use screen of juvenile offenders; changing penalties and prohibitions related to using or brandishing replica firearms and BB guns on school property; requiring the revisor of statutes to publish a table in Minnesota Statutes containing cross-references to collateral sanctions imposed on juveniles as a result of an adjudication of delinquency; clarifying detention placement options for extended jurisdiction juveniles pending revocation hearings; modifying certain provisions regarding juvenile delinquency to include stays of adjudication of delinquency; extending the duration of the continuance period allowed in a juvenile delinquency matter; amending Minnesota Statutes 2008, sections 121A.23, subdivision 1; 241.31, subdivision 1; 242.32, subdivision 2; 260B.125, subdivision 4; 260B.130, subdivision 5; 260B.157, subdivision 1; 260B.171, subdivision 5; 260B.176, subdivision 2; 260B.198, subdivision 7; 299C.105, subdivision 1; 299C.61, subdivision 8a; 609.117, subdivision 1; 609.344, subdivision 1; 609.66, subdivision 1d; 609A.02, subdivisions 2, 3; 609A.03, subdivisions 1, 2, 4, 5, 5a, 7; 624.713, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245C.24, subdivision 2; 624.713, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609A.

May 6, 2010

The Honorable James P. Metzen  
President of the Senate

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2790 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2790 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2009 Supplement, section 245C.24, subdivision 2, is amended to read:

Subd. 2. **Permanent bar to set aside a disqualification.** (a) Except as otherwise provided in ~~paragraph (b)~~ this subdivision, the commissioner may not set aside the disqualification of any individual disqualified pursuant to this chapter, regardless of how much time has passed, if the individual was disqualified for a crime or conduct listed in section 245C.15, subdivision 1.

(b) For an individual in the chemical dependency or corrections field who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, and whose disqualification was set aside prior to July 1, 2005, the commissioner must consider granting a variance pursuant to section 245C.30 for the license holder for a program dealing primarily with adults. A request for reconsideration evaluated under this paragraph must include a letter of recommendation from the license holder that was subject to the prior set-aside decision addressing the individual's quality of care to children or vulnerable adults and the circumstances of the individual's departure from that service.

(c) When a licensed foster care provider adopts an individual who had received foster care services from the provider for over six months, and the adopted individual is required to receive a background study under section 245C.03, subdivision 1, paragraph (a), clause (2) or (6), the commissioner may grant a variance to the license holder under section 245C.30 to permit the adopted individual with a permanent disqualification to remain affiliated with the license holder under the conditions of the variance when the variance is recommended by the county of responsibility for each of the remaining individuals in placement in the home and the licensing agency for the home.

(d) The commissioner shall consider granting a set aside under section 245C.22 or a variance under section 245C.30 to an individual who is now 21 years of age or older and who was disqualified for a crime or conduct listed under section 245C.15, subdivision 1, occurring while the individual was under the age of 18. This paragraph does not apply to individuals who were convicted of the disqualifying crime following certification under section 260B.125.

Sec. 2. Minnesota Statutes 2008, section 260B.157, subdivision 1, is amended to read:

Subdivision 1. **Investigation.** Upon request of the court the local social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260B.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall order a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

The court shall order a children's mental health screening and a chemical use screening conducted when a child is found to be delinquent. The screening shall be conducted with a screening instrument approved by the commissioner of human services and shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. If the approved instrument includes screening for mental health and chemical use, a single screening fulfills both requirements. If the screening indicates a need for a mental health assessment, the local social services agency, in consultation with the child's family, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871. If the screening indicates a need for a chemical use assessment, a referral must be made, in consultation with the child's family, for a chemical use assessment, as defined in section 254A.03, subdivision 3.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 3. Minnesota Statutes 2008, section 260B.176, subdivision 2, is amended to read:

Subd. 2. **Reasons for detention.** (a) If the child is not released as provided in subdivision 1, the person taking the child into custody shall notify the court as soon as possible of the detention of the child and the reasons for detention.

(b) No child may be detained in a juvenile secure detention facility or shelter care facility longer than 36 hours, excluding Saturdays, Sundays, and holidays, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless a petition has been filed and the judge or referee determines pursuant to section 260B.178 that the child shall remain in detention.

(c) No child may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, after being taken into custody for a delinquent act as defined in section 260B.007, subdivision 6, unless:

(1) a petition has been filed under section 260B.141; and

(2) a judge or referee has determined under section 260B.178 that the child shall remain in detention.

After August 1, 1991, no child described in this paragraph may be detained in an adult jail or municipal lockup longer than 24 hours, excluding Saturdays, Sundays, and holidays, or longer than six hours in an adult jail or municipal lockup in a standard metropolitan statistical area, unless the requirements of this paragraph have been met

and, in addition, a motion to refer the child for adult prosecution has been made under section 260B.125. Notwithstanding this paragraph, continued detention of a child in an adult detention facility outside of a standard metropolitan statistical area county is permissible if:

(i) the facility in which the child is detained is located where conditions of distance to be traveled or other ground transportation do not allow for court appearances within 24 hours. A delay not to exceed 48 hours may be made under this clause; or

(ii) the facility is located where conditions of safety exist. Time for an appearance may be delayed until 24 hours after the time that conditions allow for reasonably safe travel. "Conditions of safety" include adverse life-threatening weather conditions that do not allow for reasonably safe travel.

The continued detention of a child under clause (i) or (ii) must be reported to the commissioner of corrections.

(d) If a child described in paragraph (c) is to be detained in a jail beyond 24 hours, excluding Saturdays, Sundays, and holidays, the judge or referee, in accordance with rules and procedures established by the commissioner of corrections, shall notify the commissioner of the place of the detention and the reasons therefor. The commissioner shall thereupon assist the court in the relocation of the child in an appropriate juvenile secure detention facility or approved jail within the county or elsewhere in the state, or in determining suitable alternatives. The commissioner shall direct that a child detained in a jail be detained after eight days from and including the date of the original detention order in an approved juvenile secure detention facility with the approval of the administrative authority of the facility. If the court refers the matter to the prosecuting authority pursuant to section 260B.125, notice to the commissioner shall not be required.

(e) When a child is detained for an alleged delinquent act in a state licensed juvenile facility or program, or when a child is detained in an adult jail or municipal lockup as provided in paragraph (c), the supervisor of the facility shall, if the child's parent or legal guardian consents, have a children's mental health screening conducted with a screening instrument approved by the commissioner of human services, unless a screening has been performed within the previous 180 days or the child is currently under the care of a mental health professional. The screening shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. The screening shall be conducted after the initial detention hearing has been held and the court has ordered the child continued in detention. The results of the screening may only be presented to the court at the dispositional phase of the court proceedings on the matter unless the parent or legal guardian consents to presentation at a different time. If the screening indicates a need for assessment, the local social services agency or probation officer, with the approval of the child's parent or legal guardian, shall have a diagnostic assessment conducted, including a functional assessment, as defined in section 245.4871.

(f) When a child is detained for an alleged delinquent act in a state licensed juvenile facility or program, or when a child is detained in an adult jail or municipal lockup as provided in paragraph (c), the supervisor of the facility shall, if the child's parent or legal guardian consents, have a chemical use screen conducted with a screening instrument approved by the commissioner of human services, unless a screening has been performed within the previous 180 days or the child is currently under the care of a licensed alcohol and drug counselor. The screening shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer who is trained in the use of the screening instrument. The screening shall be conducted after the initial detention hearing has been held and the court has ordered the child continued in detention.

Sec. 4. Minnesota Statutes 2008, section 609A.02, subdivision 2, is amended to read:

Subd. 2. **Offenses committed by juveniles prosecuted as adults.** A petition for the sealing of ~~a conviction record~~ any type of delinquency or criminal record relating to a juvenile matter may be filed under section 609A.03 by a person who has ~~been committed to the custody of the commissioner of corrections upon conviction of a crime following certification to district court under section 260B.125, if the person successfully completed the terms of the person's disposition or sentence and who is no longer under correctional supervision for the offense, if:~~

(1) is finally discharged by the commissioner; or the person received a disposition under section 260B.198, regardless of whether the person was adjudicated delinquent;

(2) has been placed on probation by the court under section 609.135 and has been discharged from probation after satisfactory fulfillment of it the matter was designated an extended jurisdiction juvenile prosecution under section 260B.130 and the person's adult sentence was never executed;

(3) the matter was designated an extended jurisdiction juvenile prosecution under section 260B.130 and the person's adult sentence was subsequently executed; or

(4) the matter was certified for adult prosecution under section 260B.125.

Sec. 5. Minnesota Statutes 2008, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings not resulting in conviction.** A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if:

(1) all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner; or

(2) the petitioner has successfully completed the terms of a diversion program or stay of adjudication that was agreed to by the prosecutor and has not been charged with a new crime for at least one year since completion of the diversion program or stay of adjudication.

Sec. 6. **[609A.025] EXPUNGEMENT FOR CASES INVOLVING DIVERSION AND STAYS OF ADJUDICATION; NO PETITION REQUIRED WITH PROSECUTOR AGREEMENT AND VICTIM NOTIFICATION.**

(a) Upon agreement of the prosecutor, the court shall seal the criminal record for a person described in section 609A.02, subdivision 3, clause (2), without the filing of a petition unless it determines that the interests of the public and public safety in keeping the record public outweigh the disadvantages to the subject of the record in not sealing it.

(b) Before agreeing to the sealing of a record under this section, the prosecutor shall make a good-faith effort to inform any identifiable victims of the offense of the intended prosecutorial agreement and the opportunity to object to the agreement.

(c) Subject to paragraph (b), the prosecutor may agree to the sealing of records under this section before or after the criminal charges are dismissed.

Sec. 7. Minnesota Statutes 2008, section 609A.03, subdivision 1, is amended to read:

Subdivision 1. **Petition; filing fee.** An individual who is the subject of a criminal record who is seeking the expungement of the record shall file a petition under this section and pay a filing fee in the amount required under section 357.021, subdivision 2, clause (1). The filing fee may be waived in cases of indigency and shall be waived in the cases described in section 609A.02, subdivision 2, clause (1) or (2), and subdivision 3.

Sec. 8. Minnesota Statutes 2008, section 609A.03, subdivision 2, is amended to read:

Subd. 2. **Contents of petition.** (a) A petition for expungement shall be signed under oath by the petitioner and shall state the following:

(1) the petitioner's full name and all other legal names or aliases by which the petitioner has been known at any time;

(2) the petitioner's date of birth;

(3) all of the petitioner's addresses from the date of the offense or alleged offense in connection with which an expungement order is sought, to the date of the petition;

(4) why expungement is sought, if it is for employment or licensure purposes, the statutory or other legal authority under which it is sought, and why it should be granted;

(5) the details of the offense or arrest for which expungement is sought, including the date and jurisdiction of the occurrence, either the names of any victims or that there were no identifiable victims, whether there is a current order for protection, restraining order, or other no contact order prohibiting the petitioner from contacting the victims or whether there has ever been a prior order for protection or restraining order prohibiting the petitioner from contacting the victims, the court file number, and the date of conviction or of dismissal;

(6) in the case of a conviction or delinquency record, what steps the petitioner has taken since the time of the offense toward personal rehabilitation, including treatment, work, or other personal history that demonstrates rehabilitation;

(7) petitioner's criminal conviction and delinquency record indicating all convictions and findings of delinquency for misdemeanors, gross misdemeanors, or felonies in this state, and for all comparable convictions and findings of delinquency in any other state, federal court, or foreign country, whether the convictions or findings of delinquency occurred before or after the arrest ~~or~~ conviction, or finding of delinquency for which expungement is sought;

(8) petitioner's criminal charges record indicating all prior and pending criminal charges against the petitioner in this state or another jurisdiction, including all criminal charges that have been continued for dismissal or stayed for adjudication, or have been the subject of pretrial diversion; and

(9) all prior requests by the petitioner, whether for the present offense or for any other offenses, in this state or any other state or federal court, for pardon, return of arrest records, or expungement or sealing of a criminal record, whether granted or not, and all stays of adjudication or imposition of sentence involving the petitioner.

(b) If there is a current order for protection, restraining order, or other no contact order prohibiting the petitioner from contacting the victims or there has ever been a prior order for protection or restraining order prohibiting the petitioner from contacting the victims, the petitioner shall attach a copy of the order to the petition.

(c) Where practicable, the petitioner shall attach to the petition a copy of the complaint or the police report for the offense or offenses for which expungement is sought.

Sec. 9. Minnesota Statutes 2008, section 609A.03, subdivision 4, is amended to read:

Subd. 4. **Hearing.** (a) A hearing on the petition shall be held no sooner than 60 days after service of the petition. A victim of the offense for which expungement is sought has a right to submit an oral or written statement to the court at the time of the hearing describing the harm suffered by the victim as a result of the crime and the victim's recommendation on whether expungement should be granted or denied. The judge shall consider the victim's statement when making a decision.

(b) The court shall exclude the general public from a hearing on a petition to expunge a record relating to a juvenile matter under section 609A.02, subdivision 2, and may admit only persons who the court determines have a direct interest in the case, unless the hearing on the underlying offense for which expungement is sought was open to the public under section 260B.163, subdivision 1, paragraph (c), or other law.

Sec. 10. Minnesota Statutes 2008, section 609A.03, subdivision 5, is amended to read:

Subd. 5. **Nature of remedy; standard; ~~firearms restriction~~.** (a) Except as otherwise provided by paragraph (b) or (c), expungement of a criminal or delinquency record is an extraordinary remedy to be granted only upon clear and convincing evidence that it would yield a benefit to the petitioner commensurate with the disadvantages to the public and public safety of:

(1) sealing the record; and

(2) burdening the court and public authorities to issue, enforce, and monitor an expungement order.

(b) Except as otherwise provided by this paragraph, If the petitioner is petitioning for the sealing of a criminal or juvenile record under section 609A.02, subdivision 3, the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(c) If the petitioner is petitioning for the sealing of a criminal or delinquency record under section 609A.02, subdivision 2, clause (1) or (2), the court shall grant the petition to seal the record unless the agency or jurisdiction whose records would be affected establishes by clear and convincing evidence that the interests of the public and public safety outweigh the disadvantages to the petitioner of not sealing the record.

(d) If the court issues an expungement order it may require that the criminal or juvenile record be sealed, the existence of the record not be revealed, and the record not be opened except as required under subdivision 7. Records must not be destroyed or returned to the subject of the record.

Sec. 11. Minnesota Statutes 2008, section 609A.03, subdivision 5a, is amended to read:

Subd. 5a. **Order concerning crimes of violence.** An order expunging the record of a conviction or delinquency record for a crime of violence as defined in section 624.712, subdivision 5, must provide that the person is not entitled to ship, transport, possess, or receive a firearm for the remainder of the person's lifetime. Any person whose record of conviction or delinquency record is expunged under this section and who thereafter receives a relief of disability under United States Code, title 18, section 925, or whose ability to possess firearms has been restored under section 609.165, subdivision 1d, is not subject to the restriction in this subdivision.

Sec. 12. Minnesota Statutes 2008, section 609A.03, subdivision 7, is amended to read:

Subd. 7. **Limitations of order.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105, shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) an expunged record may be opened for purposes of a criminal investigation, ~~prosecution, or sentencing~~, upon an ex parte court order;

(2) an expunged record may be opened upon request by a prosecutor, or a probation officer for sentencing purposes, without a court order;

~~(2)~~ (3) an expunged record of a conviction or delinquency proceeding may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order; and

~~(3)~~ (4) an expunged record of a conviction or delinquency proceeding may be opened for purposes of a background study under section 245C.08 unless the court order for expungement is directed specifically to the commissioner of human services.

Upon request by law enforcement, prosecution, or corrections authorities, an agency or jurisdiction subject to an expungement order shall inform the requester of the existence of a sealed record and of the right to obtain access to it as provided by this paragraph. For purposes of this section, a "criminal justice agency" means courts or a government agency that performs the administration of criminal justice under statutory authority.

Sec. 13. **REVISOR INSTRUCTION; TABLE OF JUVENILE COLLATERAL SANCTIONS.**

(a) The revisor of statutes shall publish a table in Minnesota Statutes that contains cross-references to state laws that are collateral sanctions imposed on a juvenile as a result of an adjudication of delinquency. The revisor shall create a structure that categorizes these laws in a useful way to users.

(b) The revisor shall include appropriate cautionary language with the table, including, at a minimum, language that notifies users that:

(1) the list of collateral sanctions laws is intended to be comprehensive but is not necessarily complete;

(2) the inclusion or exclusion of a collateral sanction is not intended to have any substantive legal effect; and

(3) users must consult the language of each cross-referenced law to fully understand the scope and effect of the collateral sanction it imposes.

(c) The revisor shall consult with legislative staff and the chairs of the senate and house committees having jurisdiction over criminal justice to identify laws that impose collateral sanctions on a juvenile who has been adjudicated delinquent.

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

Delete the title and insert:

"A bill for an act relating to public safety; modifying provisions related to certain juvenile records; authorizing the expungement of certain juvenile records; authorizing the commissioner of human services to grant set asides or variances for certain individuals disqualified from licensure because of an offense committed as a juvenile; requiring chemical use screen of juvenile offenders; requiring the revisor of statutes to publish a table in Minnesota Statutes containing cross-references to collateral sanctions imposed on juveniles as a result of an adjudication of delinquency; amending Minnesota Statutes 2008, sections 260B.157, subdivision 1; 260B.176, subdivision 2; 609A.02, subdivisions 2, 3; 609A.03, subdivisions 1, 2, 4, 5, 5a, 7; Minnesota Statutes 2009 Supplement, section 245C.24, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609A."

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

Senate Conferees: MEE MOUA, STEVE DILLE and RON LATZ.

House Conferees: JOHN LESCH, DEBRA HILSTROM and JIM ABELER.

Lesch moved that the report of the Conference Committee on S. F. No. 2790 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2790, A bill for an act relating to public safety; modifying provisions related to certain juvenile records; authorizing the expungement of certain juvenile records; authorizing the commissioner of human services to grant set asides or variances for certain individuals disqualified from licensure because of an offense committed as a juvenile; requiring chemical use screen of juvenile offenders; changing penalties and prohibitions related to using or brandishing replica firearms and BB guns on school property; requiring the revisor of statutes to publish a table in Minnesota Statutes containing cross-references to collateral sanctions imposed on juveniles as a result of an adjudication of delinquency; clarifying detention placement options for extended jurisdiction juveniles pending revocation hearings; modifying certain provisions regarding juvenile delinquency to include stays of adjudication of delinquency; extending the duration of the continuance period allowed in a juvenile delinquency matter; amending Minnesota Statutes 2008, sections 121A.23, subdivision 1; 241.31, subdivision 1; 242.32, subdivision 2; 260B.125, subdivision 4; 260B.130, subdivision 5; 260B.157, subdivision 1; 260B.171, subdivision 5; 260B.176, subdivision 2; 260B.198, subdivision 7; 299C.105, subdivision 1; 299C.61, subdivision 8a; 609.117, subdivision 1; 609.344, subdivision 1; 609.66, subdivision 1d; 609A.02, subdivisions 2, 3; 609A.03, subdivisions 1, 2, 4, 5, 5a, 7; 624.713, subdivision 3; Minnesota Statutes 2009 Supplement, sections 245C.24, subdivision 2; 624.713, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609A.

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

The question was taken on the repassage of the bill and the roll was called. There were 79 yeas and 53 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Dean	Fritz	Kath	McNamara	Shimanski
Anderson, P.	Demmer	Garofalo	Kelly	Murdock	Smith
Anderson, S.	Dettmer	Gottwalt	Kiffmeyer	Nornes	Torkelson
Beard	Doepke	Gunther	Kohls	Norton	Urdahl
Brod	Doty	Hackbarth	Lanning	Olin	Ward
Buesgens	Downey	Hamilton	Loon	Sanders	Welti
Bunn	Drazkowski	Holberg	Mack	Scott	Westrom
Cornish	Eastlund	Hoppe	Magnus	Seifert	Zellers
Davids	Faust	Jackson	McFarlane	Severson	

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

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1659, 2725, 3318, 2634, 2170, 2430, 2839 and 2682.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 1659, A bill for an act relating to eminent domain; modifying definition of public use; amending Minnesota Statutes 2008, section 117.025, subdivision 11.

The bill was read for the first time.

Mullery moved that S. F. No. 1659 and H. F. No. 1537, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2725, A bill for an act relating to public safety; establishing a certification process for multijurisdictional gang and drug task forces; regulating law enforcement criminal gang investigative databases; classifying data received from law enforcement agencies in other states; changing membership of a council; delineating uses of data in the comprehensive incident-based reporting system; restricting the acquisition of cell phone tracking devices; amending Minnesota Statutes 2008, sections 13.82, by adding a subdivision; 299A.641; 299C.091, subdivision 4; 299C.40, subdivision 2; 609.531, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 13; 626; 626A.

The bill was read for the first time.

Paymar moved that S. F. No. 2725 and H. F. No. 2965, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3318, A bill for an act relating to state government; imposing a threshold value before notification of certain legislators is required for disposal of certain state-owned buildings; changing provisions in the energy improvement financing program; clarifying responsibility for administration of the state's responsibilities as a member of the workers' compensation reinsurance association; amending Minnesota Statutes 2008, sections 16B.24, subdivision 3; 16B.322, subdivisions 4, 5; 79.34, subdivision 1; Minnesota Statutes 2009 Supplement, section 16B.322, subdivisions 4a, 4b, 4c.

The bill was read for the first time.

Kalin moved that S. F. No. 3318 and H. F. No. 3682, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2634, A bill for an act relating to public safety; making numerous changes to the controlled substance forfeiture law; expanding the reporting requirements related to forfeiture; requiring model policies on forfeiture; addressing the disposition of forfeiture proceeds; providing for a probable cause determination for certain

forfeitures; amending Minnesota Statutes 2008, sections 97A.221, by adding a subdivision; 97A.223, by adding a subdivision; 97A.225, by adding a subdivision; 169A.63, by adding a subdivision; 491A.01, subdivision 3; 609.531, subdivisions 1a, 5, 5a, by adding a subdivision; 609.5311, subdivision 3; 609.5313; 609.5314; 609.5315, subdivisions 5, 6, by adding a subdivision; 609.5318, subdivision 3; 609.762, by adding a subdivision; 609.905, by adding a subdivision; Minnesota Statutes 2009 Supplement, section 84.7741, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 388; 626.

The bill was read for the first time.

Mullery moved that S. F. No. 2634 and H. F. No. 2610, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2170, A bill for an act relating to real property; providing for mediation prior to commencement of mortgage foreclosure proceedings on homestead property; amending Minnesota Statutes 2008, sections 580.021, as amended; 580.022, subdivision 1; 580.23, by adding a subdivision; 582.30, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 583.

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

S. F. No. 2430, A bill for an act relating to mortgages; regulating reverse mortgages; requiring certain notices related to redemption rights be made to a mortgagor; providing for a private right of action; modifying time for requesting a hearing on an order to secure a building; modifying notice of sale requirements; authorizing political subdivisions to recover costs associated with obtaining a five-week redemption period; amending Minnesota Statutes 2008, sections 47.58, subdivisions 3, 8, by adding subdivisions; 580.03; 580.041, as amended; 580.06; 580.30, subdivision 1; 582.03, subdivision 1; 582.032, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 47.58, subdivision 1; 463.251, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 58.

The bill was read for the first time.

Hilstrom moved that S. F. No. 2430 and H. F. No. 2699, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2839, A bill for an act relating to commerce; regulating various licensees and other entities; modifying definitions, informational requirements, continuing education requirements, information reporting requirements, and notice requirements; making various housekeeping, technical, and clarifying changes; regulating securities; reorganizing and modifying various provisions relating to real estate brokers, salespersons, and closing agents; modifying the membership requirements of, and appointment authority to, the real estate appraiser advisory board; regulating certain workers' compensation self-insurers; amending Minnesota Statutes 2008, sections 45.0112; 60A.031, subdivision 4; 60A.084; 60A.204; 60A.36, by adding a subdivision; 60K.31, subdivision 10; 61A.092, subdivision 3; 62A.046, subdivision 6, by adding a subdivision; 62A.17, subdivision 5; 62A.3099, subdivision 17; 62A.65, subdivision 2; 62E.02, subdivision 15; 62E.14, subdivision 4c; 62L.05, subdivision 4; 62S.24, subdivision 8; 62S.266, subdivision 4; 62S.29, subdivision 1; 72A.08, subdivision 4; 72A.12, subdivision 4; 72A.20, subdivisions 10, 36, 37; 72A.492, subdivision 2; 72A.51, subdivision 2; 72B.01; 72B.08, subdivision 8; 79A.03, subdivision 8; 79A.06, subdivision 5; 79A.21, subdivision 3; 80A.41; 80A.46; 80A.65, subdivision 6; 82.17, subdivision 15, by adding subdivisions; 82.19; 82.21, subdivision 2; 82.24, subdivision 3; 82.29, subdivisions 4, 5, 8; 82.31, subdivisions 1, 2; 82.33, subdivisions 1, 2, by adding a subdivision; 82.34, subdivisions 1, 2, 4, 5, 13; 82.39; 82.41, subdivisions 1, 2, by adding a subdivision; 82.45, subdivision 3, by adding subdivisions; 82.48,

subdivisions 2, 3; 82B.05, as amended; 82B.06; 82B.14; 326.3382, subdivision 3; 326B.33, subdivision 16; 326B.56, subdivision 2; 326B.86, subdivision 2; 326B.921, subdivision 6; 327B.04, subdivision 4; 332.34; 340A.409, subdivision 1; Minnesota Statutes 2009 Supplement, sections 45.027, subdivision 1; 45.30, subdivision 4; 60A.39, subdivisions 1, 4, 5; 60A.9572, subdivision 6; 60K.361; 62A.3099, subdivision 18; 65A.29, subdivision 13; 72B.03, subdivision 2; 72B.045, subdivision 1; 72B.06; 82.31, subdivision 4; 82.32; 326B.46, subdivision 2; Laws 2007, chapter 147, article 12, section 14; proposing coding for new law in Minnesota Statutes, chapters 82; 332; repealing Minnesota Statutes 2008, sections 72B.04; 82.19, subdivision 3; 82.22, subdivisions 1, 6, 7, 8, 9; 82.31, subdivision 6; 82.34, subdivision 16; 82.41, subdivisions 3, 7; 332.31, subdivision 7; 332.335; Minnesota Statutes 2009 Supplement, sections 65B.133, subdivision 3; 72B.02, subdivision 11.

The bill was read for the first time.

Atkins moved that S. F. No. 2839 and H. F. No. 2942, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2682, A bill for an act relating to veterans; authorizing funding for a veterans cemetery in Fillmore County; appropriating money for design and predesign of veterans cemeteries; amending Laws 2009, chapter 93, article 1, section 14, subdivision 3.

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

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

## **REPORTS OF STANDING COMMITTEES AND DIVISIONS**

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

H. F. No. 3833, A bill for an act relating to education; providing for policy and funding for early childhood through grade 12 education including general education, education excellence, special programs, facilities and technology, accounting, state agencies, pupil transportation, education finance reform, forecast adjustments, early childhood education, prevention, self-sufficiency, and lifelong learning; authorizing rulemaking; requiring reports; appropriating money; amending Minnesota Statutes 2008, sections 3.303, by adding a subdivision; 11A.16, subdivision 5; 16A.125, subdivision 5; 120A.41; 120B.021, subdivision 1; 120B.07; 120B.15; 121A.16; 121A.17, subdivision 5; 122A.16; 122A.18, subdivisions 1, 2; 122A.23, subdivision 2; 123B.12; 123B.147, subdivision 3; 123B.53, subdivision 5; 123B.57, as amended; 123B.63, subdivision 3; 123B.75, subdivision 5, by adding a subdivision; 123B.88, subdivision 13; 123B.90, subdivision 3; 123B.92, subdivision 5; 124D.09, subdivision 20; 124D.141, subdivisions 1, 2; 124D.15, subdivision 12, by adding a subdivision; 124D.20, subdivision 8; 124D.4531, as amended; 124D.59, subdivision 2; 124D.65, subdivision 5; 125A.03; 125A.21, subdivisions 2, 3, 5, 7; 125A.515, by adding a subdivision; 125A.69, subdivision 1; 125A.76, subdivision 5; 125A.79, subdivisions 1, 7; 126C.01, by adding subdivisions; 126C.05, subdivisions 1, 3, 5, 6, 8, 16, 17; 126C.10, subdivisions 1, 2, 2a, 3, 4, 6, 13, 13a, 14, 18, by adding subdivisions; 126C.126; 126C.13, subdivisions 4, 5; 126C.17, subdivisions 1, 5, 6, by adding a subdivision; 126C.20; 126C.40, subdivision 1; 126C.54; 127A.30, subdivision 2; 127A.42, subdivision 2; 127A.43; 127A.441; 127A.45, subdivisions 2, 3, 13, by adding subdivisions; 127A.51; 169.447, subdivision 2a; 169.4503, by adding a subdivision; 171.321, subdivision 2; Minnesota Statutes 2009 Supplement, sections 16A.152, subdivision 2, as amended; 120B.023, subdivision 2; 120B.30, subdivisions 1, 1a, 3, 4, by adding a subdivision; 120B.35, subdivision 3; 120B.36, subdivision 1; 122A.09, subdivision 4; 122A.40, subdivision 8; 122A.41, subdivision 5; 123B.143, subdivision 1; 123B.54; 123B.92, subdivision 1; 124D.10, subdivisions 3, 4, 4a, 6a, 8, 11, 23; 124D.15,

subdivision 3; 125A.02, subdivision 1; 125A.091, subdivision 7; 125A.63, subdivisions 2, 4, 5; 126C.41, subdivision 2; 126C.44; 171.02, subdivision 2b; 256B.0625, subdivision 26; Laws 2009, chapter 79, article 5, section 60; Laws 2009, chapter 96, article 2, sections 64; 67, subdivisions 14, 17; article 4, section 12, subdivision 3; article 5, section 13, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 120B; 121A; 122A; 123A; 123B; 124D; 125A; 126C; repealing Minnesota Statutes 2008, sections 122A.24; 123B.57, subdivisions 3, 4, 5; 123B.591; 125A.54; 125A.76, subdivision 4; 125A.79, subdivision 6; 126C.10, subdivisions 2b, 13a, 13b, 25, 26, 27, 28, 29, 30, 31, 31a, 31b, 32, 33, 35, 36; 126C.12; 126C.126; 126C.17, subdivision 9a; 127A.46; 127A.50; Minnesota Statutes 2009 Supplement, sections 123B.54; 126C.10, subdivisions 24, 34.

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

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. No. 3833 was read for the second time.

The following Conference Committee Reports were received:

### CONFERENCE COMMITTEE REPORT ON H. F. NO. 3386

A bill for an act relating to real property; requiring performance guidelines for certain residential contracts; modifying statutory warranties; requiring notice and opportunity to repair; providing for dispute resolution procedures; requiring a report; amending Minnesota Statutes 2008, sections 302A.781, subdivision 4; 326B.809; 327A.01, by adding a subdivision; 327A.02, subdivision 4, by adding subdivisions; 327A.03; proposing coding for new law in Minnesota Statutes, chapter 327A.

May 7, 2010

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

We, the undersigned conferees for H. F. No. 3386 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3386 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 302A.781, subdivision 4, is amended to read:

Subd. 4. **Statutory homeowner warranty claims preserved.** The statutory warranties provided under section 327A.02, and any contribution or indemnity claim arising from the breach of those warranties, are not affected by a the dissolution under this chapter of a vendor or home improvement contractor.

Sec. 2. Minnesota Statutes 2008, section 322B.863, subdivision 4, is amended to read:

Subd. 4. **Statutory homeowner warranty claims preserved.** The statutory warranties provided under section 327A.02, and any contribution or indemnity claim arising from the breach of those warranties, are not affected by a the dissolution under this chapter of a vendor or home improvement contractor.

Sec. 3. Minnesota Statutes 2008, section 326B.809, is amended to read:

**326B.809 WRITTEN CONTRACT REQUIRED.**

(a) All agreements including proposals, estimates, bids, quotations, contracts, purchase orders, and change orders between a licensee and a customer for the performance of a licensee's services must be in writing and must contain the following:

- (1) a detailed summary of the services to be performed;
- (2) a description of the specific materials to be used or a list of standard features to be included; and
- (3) the total contract price or a description of the basis on which the price will be calculated.

(b) Before entering into an agreement, the licensee shall provide a prospective customer with written performance guidelines for the services to be performed. Performance guidelines also must be included or incorporated by reference in the agreement. All agreements shall be signed and dated by the licensee and customer.

(c) The licensee shall provide to the customer, at no charge, a signed and dated document at the time that the licensee and customer sign and date the document. Documents include agreements, performance guidelines, and mechanic's lien waivers.

Sec. 4. Minnesota Statutes 2008, section 327A.01, subdivision 7, is amended to read:

Subd. 7. **Vendor.** "Vendor" means any person, firm, or corporation ~~which that~~ constructs dwellings ~~for the purpose of sale,~~ including the construction of dwellings on land owned by vendees. Vendor does not include a subcontractor or material supplier involved in the construction of a dwelling.

Sec. 5. Minnesota Statutes 2008, section 327A.01, is amended by adding a subdivision to read:

Subd. 12. **Inspection.** "Inspection" means a visual or invasive examination of the alleged property damage.

Sec. 6. Minnesota Statutes 2008, section 327A.02, subdivision 4, is amended to read:

Subd. 4. **Response from vendor or home improvement contractor to notice of claim; right to inspect.** (a) ~~Following notice under section 327A.03, The vendee or owner must allow an inspection and opportunity to for purposes of the preparation of an offer to repair the known alleged loss or damage under subdivision 5. Upon request of the vendee, a court may order the vendor to conduct the inspection. The inspection must be performed and any offer to repair must be made in writing to the vendee by the vendor or home improvement contractor within 30 days of the vendor's receipt of the written notice required under section 327A.03, clause (a), alleging loss or damage the notification under section 327A.03, clause (a). Any damage to property caused as a result of an inspection must be promptly repaired by the inspecting party to restore the property to its pre-inspected condition.~~

(b) The applicable statute of limitations and statute of repose for an action based on breach of a warranty imposed by this section, or any other action in contract, tort, or other law for any injury to real or personal property or bodily injury or wrongful death arising out of the alleged loss or damage, is tolled from the date the written notice provided by the vendee or owner is postmarked, or if not sent through the mail, received by the vendor or home improvement contractor until the ~~earliest~~ latest of the following:

(1) ~~the date the vendee rejects the vendor's offer to repair~~ of completion of the home warranty dispute resolution process under section 327A.051; or

(2) ~~the date the vendor rejects the vendee's claim in writing;~~

(3) ~~failure by the vendor to make an offer to repair within the 30-day period described in this subdivision; or~~

(4) 180 days.

~~For purposes of this subdivision, "vendor" includes a home improvement contractor.~~

~~(b)~~ (c) Upon completion of repairs as described in an offer to repair, the vendor must provide the vendee with a list of the repairs made and a notice that the vendee may have a right to pursue a warranty claim under this chapter. Provision of this statement is not an admission of liability. Compliance with this subdivision does not affect any rights of the vendee under this chapter.

Sec. 7. Minnesota Statutes 2008, section 327A.02, is amended by adding a subdivision to read:

Subd. 5. **Right to repair; agreement.** (a) Within 15 days of completion of the inspection required by subdivision 4, the vendor or home improvement contractor must provide to the vendee or owner a written offer to repair. The offer to repair must include, at a minimum:

(1) the scope of the proposed repair work; and

(2) the proposed date on which the repair work would begin and the estimated date of completion.

(b) This subdivision does not prevent the vendee or owner from obtaining the information in paragraph (a) from another contractor or from negotiating with the vendor or home improvement contractor for a different scope of work.

(c) If the parties agree to a scope of work, the vendor or home improvement contractor must perform the repair work in accordance with the offer to repair. If the parties do not agree to a scope of work, the vendee or owner must submit the matter to the homeowner warranty dispute resolution process under section 327A.051.

(d) Upon completion of repairs described in an offer to repair, the vendor or home improvement contractor must provide the vendee or owner with a written notice that the scope of the work agreed upon has been completed.

Sec. 8. Minnesota Statutes 2008, section 327A.02, is amended by adding a subdivision to read:

Subd. 6. **Failure to perform inspection or repair.** If the vendor or home improvement contractor fails to perform an inspection under subdivision 4 or fails to make an offer to repair or perform agreed upon repairs under subdivision 5, the vendee or owner may commence an action.

Sec. 9. Minnesota Statutes 2008, section 327A.02, is amended by adding a subdivision to read:

Subd. 7. **Processes required before commencement of action.** Except as provided in subdivision 6, a cause of action for which the statute of limitations or statute of repose is tolled under subdivision 4, paragraph (b), must not be commenced in district court until the earlier of:

(1) the completion of the home warranty dispute resolution process under section 327A.051; or

(2) 60 days after the written offer of repair is provided to the vendee or owner.

Sec. 10. Minnesota Statutes 2008, section 327A.03, is amended to read:

**327A.03 EXCLUSIONS.**

The liability of the vendor or the home improvement contractor under sections 327A.01 to 327A.07 is limited to the specific items set forth in sections 327A.01 to 327A.07 and does not extend to the following:

(a) loss or damage not reported by the vendee or the owner to the vendor or the home improvement contractor in writing within six months after the vendee or the owner discovers or should have discovered the loss or damage; unless the vendee or owner establishes that the vendor or home improvement contractor had actual notice of the loss or damage;

(b) loss or damage caused by defects in design, installation, or materials which the vendee or the owner supplied, installed, or directed to be installed;

(c) secondary loss or damage such as personal injury or property damage;

(d) loss or damage from normal wear and tear;

(e) loss or damage from normal shrinkage caused by drying of the dwelling or the home improvement within tolerances of building standards;

(f) loss or damage from dampness and condensation due to insufficient ventilation after occupancy;

(g) loss or damage from negligence, improper maintenance or alteration of the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;

(h) loss or damage from changes in grading of the ground around the dwelling or the home improvement by parties other than the vendor or the home improvement contractor;

(i) landscaping or insect loss or damage;

(j) loss or damage from failure to maintain the dwelling or the home improvement in good repair;

(k) loss or damage which the vendee or the owner, whenever feasible, has not taken timely action to minimize;

(l) loss or damage which occurs after the dwelling or the home improvement is no longer used primarily as a residence;

(m) accidental loss or damage usually described as acts of God, including, but not limited to: fire, explosion, smoke, water escape, windstorm, hail or lightning, falling trees, aircraft and vehicles, flood, and earthquake, except when the loss or damage is caused by failure to comply with building standards;

(n) loss or damage from soil movement which is compensated by legislation or covered by insurance;

(o) loss or damage due to soil conditions where construction is done upon lands owned by the vendee or the owner and obtained by the vendee or owner from a source independent of the vendor or the home improvement contractor;

(p) in the case of home improvement work, loss or damage due to defects in the existing structure and systems not caused by the home improvement.

Sec. 11. **[327A.051] HOME WARRANTY DISPUTE RESOLUTION.**

**Subdivision 1. Panel of neutrals.** (a) The commissioner of labor and industry shall maintain a list of persons who consent to serve as qualified neutrals for purposes of this section. The commissioner shall establish application requirements and qualifications for qualified neutrals, taking into consideration the education, experience, and training of the applicant, potential conflicts of interest, and that the purpose of the process is to assist parties in determining an agreeable scope of repair or other resolution of their dispute.

(b) As a condition of being included on the panel of neutrals identified in this section, the commissioner of labor and industry may charge each qualified neutral a fee of \$200 per year for the administration of the home warranty dispute resolution process.

**Subd. 2. Dispute resolution process.** (a) The home warranty dispute resolution process required by this section is commenced by written application to the commissioner. A request must include the complete current address and full name of the contact person for each participating party.

(b) Within ten days of receiving a written request, the commissioner shall provide each party with a written list of three qualified neutrals randomly selected from the panel of neutrals established under subdivision 1. The commissioner shall also provide complete contact information for each qualified neutral.

(c) Within five business days after receipt of the list from the commissioner, the parties shall mutually select one of the three qualified neutrals identified by the commissioner to serve as the qualified neutral for their dispute. If the parties cannot mutually agree on a neutral, the vendor or home improvement contractor shall strike one of the neutrals from the list, the vendee or owner shall subsequently strike one of the remaining neutrals from the list, and the remaining neutral shall serve as the qualified neutral for the dispute resolution process. The parties shall notify the selected qualified neutral and the commissioner of the selection.

**Subd. 3. Neutral evaluation; fee.** (a) The qualified neutral selected by the parties shall convene, and each party shall attend, an in-person conference of the parties. The qualified neutral shall select the date for the conference after consulting the parties. The conference must occur no later than 30 days after the neutral's selection, except by mutual agreement of the parties. In addition, the neutral shall collect from each party an administrative fee of \$25 and shall submit those fees to the commissioner no later than ten days after the completion of the conference.

(b) At least seven days before the conference, each party must provide the qualified neutral and the other party with all information and documentation necessary to understanding the dispute, or the alleged loss or damages.

(c) After reviewing the information and documentation provided by the parties and after consulting with the parties at the conference, the neutral shall issue to the parties a nonbinding, written determination, which must include, to the extent possible, findings and recommendations on the scope and amount of repairs necessary, if any. The qualified neutral shall mail the determination to each party within ten days after the conference.

(d) The parties shall share the expense of the qualified neutral's billed time equally, unless otherwise agreed. The neutral's billed time for evaluation of documents, meeting with the parties, and issuing a written determination must not exceed six hours, unless agreed to in writing by both parties. The neutral must identify the neutral's hourly rate to the parties.

**Subd. 4. Alternative process.** If both parties agree, the parties may designate an alternative dispute resolution process in lieu of participating in the home warranty dispute resolution process established by this section. If the parties agree to an alternative dispute resolution process, they shall provide written notice of the agreement and a description of the selected process to the commissioner as soon as practicable, but no later than the date the parties are required to select a neutral under subdivision 2.

**Subd. 5. Effect on future proceedings.** (a) The written determination issued by the qualified neutral and all communications relating to the home warranty dispute resolution process, except those between any party and the commissioner, are deemed confidential settlement communications pursuant to Rule 408 of the Minnesota Rules of Evidence.

(b) No party may use the written offer of repair provided by a vendor or home improvement contractor, a counteroffer to repair, or a written determination issued by the qualified neutral as evidence of liability in subsequent litigation between the parties. The qualified neutral may not be called to testify regarding the dispute resolution proceedings.

(c) Any amount paid by a party for the services of a qualified neutral under this section is deemed a taxable cost of the prevailing party in a subsequent litigation involving the same subject matter.

**Subd. 6. Noncompliance with timelines; effect.** Failure to strictly comply with the timelines in this section shall not be grounds for dismissal of any claim brought under section 327A.05, provided that the parties establish good faith effort in complying with this section.

Sec. 12. Minnesota Statutes 2009 Supplement, section 327A.08, is amended to read:

#### **327A.08 LIMITATIONS.**

Notwithstanding any other provision of sections 327A.01 to 327A.08:

(a) the terms of the home improvement warranties required by sections 327A.01 to 327A.08 commence upon completion of the home improvement and the term shall not be required to be renewed or extended if the home improvement contractor performs additional improvements required by warranty;

(b) the home improvement warranties required by sections 327A.01 to 327A.08 shall not include products or materials installed that are already covered by implied or written warranty; and

(c) the warranties required by sections 327A.01 to 327A.08 must be set forth as written warranty instruments and must be included as part of the construction contract ~~and~~. The warranties and the exclusions under section 327A.03, the right to inspect and offer to repair under section 327A.02, subdivisions 4 and 5, and the home warranty dispute resolution process under section 327A.051 must be conveyed in writing to the owner. Failure to comply with this paragraph is a violation of section 326B.84.

(d) If the warranties required by sections 327A.01 to 327A.08 are not provided to the owner in writing as required by paragraph (c), they are implied statutory warranties that have the same effect as if the vendor or home improvement contractor had complied with paragraph (c).

(e) The owner's right under this section to receive the written warranty required under this section may not be waived or modified by contract or otherwise. Any agreement that purports to waive or modify the right to the written warranty required under this section is void.

(f) This section does not limit the ability of the vendor or home improvement contractor and the owner to enter into the agreements permitted under section 327A.04, subdivisions 2 and 3.

#### Sec. 13. **REPORT.**

By February 1, 2014, the commissioner of labor and industry shall report to the chairs and ranking minority members of the committees of the legislature with jurisdiction over civil law matters on the number of dispute resolution cases established under Minnesota Statutes, section 327A.051, and, to the extent possible, identify the number of cases that used the home warranty dispute process and the number that used an alternative dispute resolution process under subdivision 4 of that section.

Sec. 14. **EFFECTIVE DATE; APPLICATION.**

Sections 1 and 2 and 4 to 11 are effective January 1, 2011, and apply to notices of claims given and actions commenced on or after that date. Sections 3 and 12 are effective January 1, 2011, and apply to contracts entered into on or after that date.

Sections 1 to 12 do not revive claims already barred or extend any applicable statute of limitations or repose."

Delete the title and insert:

"A bill for an act relating to real property; requiring performance guidelines for certain residential contracts; modifying statutory warranties; requiring notice and opportunity to repair; providing for dispute resolution procedures; requiring a report; amending Minnesota Statutes 2008, sections 302A.781, subdivision 4; 322B.863, subdivision 4; 326B.809; 327A.01, subdivision 7, by adding a subdivision; 327A.02, subdivision 4, by adding subdivisions; 327A.03; Minnesota Statutes 2009 Supplement, section 327A.08; proposing coding for new law in Minnesota Statutes, chapter 327A."

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

House Conferees: MARSHA SWAILS, MIKE OBERMUELLER and JOE HOPPE.

Senate Conferees: KATHY SALTZMAN, LINDA SCHEID and WARREN LIMMER.

Swails moved that the report of the Conference Committee on H. F. No. 3386 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3386, A bill for an act relating to real property; requiring performance guidelines for certain residential contracts; modifying statutory warranties; requiring notice and opportunity to repair; providing for dispute resolution procedures; requiring a report; amending Minnesota Statutes 2008, sections 302A.781, subdivision 4; 326B.809; 327A.01, by adding a subdivision; 327A.02, subdivision 4, by adding subdivisions; 327A.03; proposing coding for new law in Minnesota Statutes, chapter 327A.

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

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Brod	Davnie	Eastlund	Hackbarth	Hornstein
Anderson, B.	Brown	Dean	Eken	Hamilton	Hortman
Anderson, P.	Brynaert	Demmer	Falk	Hansen	Hosch
Anderson, S.	Buesgens	Detmer	Faust	Hausman	Howes
Anzelc	Bunn	Dill	Fritz	Haws	Huntley
Atkins	Carlson	Dittrich	Gardner	Hayden	Jackson
Beard	Champion	Doepke	Garofalo	Hilstrom	Johnson
Benson	Clark	Doty	Gottwalt	Hilty	Juhnke
Bigham	Cornish	Downey	Greiling	Holberg	Kahn
Bly	Dauids	Draskowski	Gunther	Hoppe	Kalin

Kath	Lillie	Morrow	Paymar	Scott	Thao
Kelly	Loeffler	Mullery	Pelowski	Seifert	Thissen
Kiffmeyer	Loon	Murdock	Persell	Sertich	Tillberry
Knuth	Mack	Murphy, E.	Peterson	Severson	Torkelson
Koenen	Magnus	Murphy, M.	Poppe	Shimanski	Urdahl
Kohls	Mahoney	Nelson	Reinert	Simon	Wagenius
Laine	Mariani	Newton	Rosenthal	Slawik	Ward
Lanning	Marquart	Nornes	Rukavina	Slocum	Welti
Lenczewski	Masin	Norton	Ruud	Smith	Westrom
Lesch	McFarlane	Obermueller	Sailer	Solberg	Winkler
Liebling	McNamara	Olin	Sanders	Sterner	Zellers
Lieder	Morgan	Otremba	Scalze	Swails	Spk. Kelliher

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

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 2634

A bill for an act relating to natural resources; expanding prohibitions on the appropriation of water from the Mt. Simon-Hinckley aquifer; amending Minnesota Statutes 2008, section 103G.271, subdivision 4a.

May 7, 2010

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

We, the undersigned conferees for H. F. No. 2634 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2634 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 103G.271, subdivision 4a, is amended to read:

Subd. 4a. **Mt. Simon-Hinckley aquifer.** (a) Except as provided in paragraph (b), the commissioner may not issue new water use permits that will appropriate water from for the Mt. Simon-Hinckley aquifer in a metropolitan county, as defined in section 473.121, subdivision 4, unless the appropriation is for potable domestic water use, there are no feasible or practical alternatives to this source, and a water conservation plan is incorporated with the permit. Domestic water uses include water used for general household purposes for essential human needs such as cooking, cleaning, drinking, washing, and waste disposal.

(b) The commissioner shall terminate all permits authorizing appropriation and use of water from the Mt. Simon-Hinckley aquifer for once through systems in a metropolitan county, as defined in section 473.121, subdivision 4, by December 31, 1992. Notwithstanding paragraph (a), the commissioner may issue a new water use permit for the Mt. Simon-Hinckley aquifer for nondomestic use if there are no feasible or practical alternatives to the use of the aquifer, and water recycling and water conservation plans, as determined by the commissioner, are required under

the permit. The commissioner shall ensure that a holder of a permit issued under this paragraph is implementing all water recycling and conservation plans required under the permit. This paragraph does not apply within a metropolitan county, as defined in section 473.121, subdivision 4, or Chisago County."

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

House Conferees: JEREMY KALIN, PAUL GARDNER and JENIFER LOON.

Senate Conferees: RICK OLSEEN, KATHY SHERAN and DENNIS FREDERICKSON.

Kalin moved that the report of the Conference Committee on H. F. No. 2634 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2634, A bill for an act relating to natural resources; expanding prohibitions on the appropriation of water from the Mt. Simon-Hinckley aquifer; amending Minnesota Statutes 2008, section 103G.271, subdivision 4a.

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

The question was taken on the repassage of the bill and the roll was called. There were 90 yeas and 42 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Dauids	Eastlund	Holberg	Mack	Severson
Anderson, P.	Dean	Faust	Hoppe	Magnus	Shimanski
Anderson, S.	Demmer	Garofalo	Juhnke	Murdock	Smith
Beard	Dettmer	Gottwalt	Kelly	Nornes	Torkelson
Brod	Doepke	Gunther	Kiffmeyer	Sanders	Urdahl
Buesgens	Downey	Hackbarth	Kohls	Scott	Westrom
Cornish	Drazkowski	Hamilton	Lanning	Seifert	Zellers

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

## CONFERENCE COMMITTEE REPORT ON H. F. NO. 2639

A bill for an act relating to public safety; authorizing wireless telecommunications service providers to provide call locations for emergencies; proposing coding for new law in Minnesota Statutes, chapter 237.

May 6, 2010

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

We, the undersigned conferees for H. F. No. 2639 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2639 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. **[237.82] DEFINITIONS; CALL LOCATION INFORMATION.**

Subdivision 1. **Scope.** The definitions in this section apply to section 237.83.

Subd. 2. **Call location information.** "Call location information" means information indicating the geographical location of a telecommunications device.

Subd. 3. **Law enforcement agency.** "Law enforcement agency" means:

(1) a unit of state or local government that is authorized by law to grant full powers of arrest and to charge a person with the duties of preventing and detecting crime and enforcing the general criminal laws of the state; and

(2) subject to the limitations in section 626.93, a law enforcement agency of a federally recognized tribe, as defined in United States Code, title 25, section 450b(e).

Subd. 4. **Wireless telecommunications service provider.** "Wireless telecommunications service provider" means a provider of commercial mobile radio services, as that term is defined in United States Code, title 47, section 332, subsection (d), including all broadband personal communications services, wireless radio telephone services, geographic area specialized and enhanced specialized mobile radio services, and incumbent wide area specialized mobile radio licensees, that offers real-time, two-way voice service interconnected with the public switched telephone network and that is doing business in this state.

Sec. 2. **[237.83] DISCLOSURE OF CALL LOCATION INFORMATION; EMERGENCY SITUATIONS.**

Subdivision 1. **Written request.** Upon receipt of a written request from a law enforcement agency stating that the disclosure of call location information is needed in an emergency situation that involves the risk of death or serious physical harm to a person who possesses a telecommunications device, a wireless telecommunications service provider shall provide the requested call location information concerning that device to the requesting agency.

Subd. 2. **Protocols.** A wireless telecommunications service provider shall establish protocols consistent with this section that govern its response to a request from a law enforcement agency under subdivision 1.

Subd. 3. **Cause of action limitation.** No cause of action shall lie in any court against a wireless telecommunications service provider, its officers, employees, agents, or other specified persons for providing call location information while acting in good faith and according to this section.

Subd. 4. **Provider contact information.** The Bureau of Criminal Apprehension shall obtain contact information for all wireless telecommunications service providers authorized to do business in Minnesota or submitting to the jurisdiction of this state in order to facilitate a request from a law enforcement agency for call location information under this section. The bureau shall disseminate this information on a quarterly basis, or immediately as changes occur, to all public safety answer points in the state.

Sec. 3. **KELSEY SMITH ACT.**

This act shall be known as the Kelsey Smith Act."

Delete the title and insert:

"A bill for an act relating to public safety; requiring wireless telecommunications service providers to provide call locations for emergencies; providing for the Kelsey Smith Act; proposing coding for new law in Minnesota Statutes, chapter 237."

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

House Conferees: SHELDON JOHNSON, PAUL GARDNER and JOE HOPPE.

Senate Conferees: YVONNE PRETTNER SOLON, KATHY SHERAN and RAY VANDEVEER.

Johnson moved that the report of the Conference Committee on H. F. No. 2639 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2639, A bill for an act relating to public safety; authorizing wireless telecommunications service providers to provide call locations for emergencies; proposing coding for new law in Minnesota Statutes, chapter 237.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Anderson, P.	Bigham	Bunn	Davids	Dill	Eastlund
Anderson, S.	Bly	Carlson	Davnie	Dittrich	Eken
Anzelc	Brod	Champion	Dean	Doepke	Falk
Atkins	Brown	Clark	Demmer	Doty	Faust
Benson	Brynaert	Cornish	Dettmer	Downey	Fritz

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

Those who voted in the negative were:

Abeler	Beard	Drazkowski	Holberg
Anderson, B.	Buesgens	Hackbarth	Shimanski

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

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2642:

Jackson, Hilstrom, Champion, Atkins and Kohls.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2918:

Murphy, M.; Nelson; Kahn; Thissen and Smith.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2933:

Hosch, Thissen and Abeler.

#### CALENDAR FOR THE DAY

H. F. No. 2859, A bill for an act relating to human services; modifying a nursing facility rate provision; amending Minnesota Statutes 2008, section 256B.431, subdivision 35.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2752, A bill for an act relating to natural resources; allowing conditional uses on certain lands within the Lower St. Croix River area; amending Minnesota Statutes 2008, section 103F.351, subdivision 4.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Newton	Persell	Sailer	Shimanski	Swails	Ward
Nornes	Peterson	Sanders	Simon	Thao	Walti
Obermueller	Poppe	Scalze	Slawik	Thissen	Westrom
Olin	Reinert	Scott	Slocum	Tillberry	Winkler
Otremba	Rosenthal	Seifert	Smith	Torkelson	Zellers
Paymar	Rukavina	Sertich	Solberg	Urdahl	Spk. Kelliher
Pelowski	Ruud	Severson	Sterner	Wagenius	

Those who voted in the negative were:

Kalin	Norton
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The bill was passed and its title agreed to.

S. F. No. 2663, 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.13; 80E.14, by adding a subdivision; Minnesota Statutes 2009 Supplement, sections 80E.12; 80E.135; 80E.14, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abeler	Dettmer	Hayden	Lanning	Murphy, M.	Seifert
Anderson, P.	Dill	Hilstrom	Lenczewski	Nelson	Sertich
Anderson, S.	Dittrich	Hilty	Lesch	Newton	Shimanski
Anzelc	Doepke	Hoppe	Liebling	Nornes	Simon
Atkins	Doty	Hornstein	Lieder	Norton	Slawik
Beard	Downey	Hortman	Lillie	Obermueller	Slocum
Benson	Eastlund	Hosch	Loeffler	Olin	Solberg
Bigham	Eken	Howes	Loon	Otremba	Sterner
Bly	Falk	Huntley	Mack	Paymar	Swails
Brod	Faust	Jackson	Magnus	Pelowski	Thao
Brown	Fritz	Johnson	Mahoney	Persell	Thissen
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	Walti
Davids	Hamilton	Knuth	Morrow	Sailer	Westrom
Davnie	Hansen	Koenen	Mullery	Sanders	Winkler
Dean	Hausman	Kohls	Murdock	Scalze	Zellers
Demmer	Haws	Laine	Murphy, E.	Scott	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Drazkowski	Holberg	Smith
Buesgens	Emmer	Severson	

The bill was passed and its title agreed to.

**FISCAL CALENDAR**

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 2753.

H. F. No. 2753, A bill for an act relating to transportation; authorizing issuance and sale of trunk highway bonds; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Dettmer	Eastlund	Severson
Buesgens	Drazkowski	Scott	Shimanski

The bill was passed and its title agreed to.

**IN MEMORIAM**

The members of the House paused for a moment of silence in memory of former Representative Willis R. Eken of Twin Valley, Minnesota, who served from 1971-1984, who passed away on Saturday, May 8, 2010.

Morrow 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.

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

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 2634, A bill for an act relating to natural resources; expanding prohibitions on the appropriation of water from the Mt. Simon-Hinckley aquifer; amending Minnesota Statutes 2008, section 103G.271, subdivision 4a.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

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

H. F. No. 2639, A bill for an act relating to public safety; authorizing wireless telecommunications service providers to provide call locations for emergencies; proposing coding for new law in Minnesota Statutes, chapter 237.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

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

H. F. No. 3386, A bill for an act relating to real property; requiring performance guidelines for certain residential contracts; modifying statutory warranties; requiring notice and opportunity to repair; providing for dispute resolution procedures; requiring a report; amending Minnesota Statutes 2008, sections 302A.781, subdivision 4; 326B.809; 327A.01, by adding a subdivision; 327A.02, subdivision 4, by adding subdivisions; 327A.03; proposing coding for new law in Minnesota Statutes, chapter 327A.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 3729, A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, payment, enforcement, collection, refund, and other changes to individual income; corporate franchise, estate, sales and use, local taxes, gross receipts, gross revenues, cigarette, tobacco, insurance, property, minerals, petroleum, and other taxes and tax-related provisions; requiring sunset of new tax expenditures; property tax reform, accountability, value, and efficiency provisions; modifying certain payment schedules; making changes to tax-forfeited land, emergency debt certificate, local government aid, job opportunity building zone, special service district, agricultural preserve, tax increment financing, economic development authority, and special taxing district provisions; increasing and modifying certain borrowing authorities; modifying bond allocation provisions; specifying duties of assessors; requiring studies; providing appointments; repealing political contribution refund; appropriating money; amending Minnesota Statutes 2008, sections 60A.209, subdivision 1; 82B.035, subdivision 2; 103D.335, subdivision 17; 270.075, subdivisions 1, 2; 270.41, subdivision 5; 270A.03, subdivision 7; 270C.11, subdivision 4; 270C.34, subdivision 1; 270C.52, subdivision 2; 270C.87; 270C.94, subdivision 3; 272.0213; 272.025, subdivisions 1, 3; 272.029, subdivisions 4, 7; 273.061, subdivisions 7, 8; 273.113, subdivision 3; 273.1231, subdivision 1; 273.1232, subdivision 1; 273.124, subdivisions 1, 8, 14; 273.13, subdivision 34; 273.1392; 275.71, subdivisions 4, 5; 275.75; 276.02; 276.112; 279.01, subdivision 3; 279.025; 279.37, subdivision 1; 282.01, subdivisions 1, 1a, 1b, 1c, 1d, 2, 3, 4, 7, 7a, by adding subdivisions; 289A.08, subdivision 7; 289A.09, subdivision 2; 289A.10, subdivision 1; 289A.12, subdivision 14; 289A.30, subdivision 2; 289A.50, subdivisions 1, 2, 4; 289A.60, subdivision 7, by adding a subdivision; 290.014, subdivision 2; 290.067, subdivision 1; 290.081; 290.0921, subdivision 3; 290.17, subdivision 2; 290.21, subdivision 4; 290A.04, subdivision 2; 290B.03, by adding a subdivision; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.03, by adding a subdivision; 295.55, subdivisions 2, 3; 297A.62, as amended; 297A.665; 297A.68, subdivision 39; 297A.70, subdivision 13; 297A.71, subdivisions 23, 39; 297A.995, subdivisions 10, 11; 297F.01, subdivision 22a; 297F.04, by adding a subdivision; 297F.07, subdivision 4; 297F.25, subdivision 1; 297I.01, subdivision 9; 297I.05, subdivision 7; 297I.30, subdivisions 1, 2, 7, 8; 297I.40, subdivisions 1, 5; 297I.65, by adding a subdivision; 298.282, subdivision 1; 428A.12; 428A.18, subdivision 2; 469.101, subdivision 1; 469.319, subdivision 5; 469.3193; 473.39, by adding a subdivision; 473H.05, subdivision 1; 474A.04, subdivision 6; 474A.091, subdivision 3; Minnesota Statutes 2009 Supplement, sections 134.34, subdivision 4; 137.025, subdivision 1; 273.114, subdivision 2; 273.124, subdivision 3a; 273.13, subdivisions 23, 25; 275.065, subdivision 3; 275.70, subdivision 5, as amended; 276.04, subdivision 2; 279.01, subdivision 1; 289A.18, subdivision 1; 289A.20, subdivision 4; 290.01, subdivisions 19a, 19b, as amended, 19d; 290.06, subdivision 2c; 290.0671, subdivision 1; 290.091, subdivision 2; 290B.03, subdivision 1; 291.005,

subdivision 1, as amended; 297I.35, subdivision 2; 475.755; 477A.011, subdivision 36, as amended; 477A.013, subdivision 8; Laws 2001, First Special Session chapter 5, article 3, section 50, as amended; Laws 2002, chapter 377, article 3, section 25, as amended; Laws 2009, chapter 88, article 2, section 49; article 4, sections 5; 23, subdivision 4; Laws 2010, chapter 216, sections 2, subdivision 3; 3, subdivision 6; by adding subdivisions; 4, subdivisions 1, 2, 4, 6, 7, 8; proposing coding for new law in Minnesota Statutes, chapters 3; 6; 270C; 273; 296A; 524; 645; repealing Minnesota Statutes 2008, sections 10A.322, subdivision 4; 13.4967, subdivision 2; 282.01, subdivisions 9, 10, 11; 290.06, subdivision 23; 297I.30, subdivisions 4, 5, 6; 383A.76.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Lenczewski moved that the House refuse to concur in the Senate amendments to H. F. No. 3729, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Madam Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 3046, A bill for an act relating to energy; providing for large solar energy electric generation demonstration conservation improvement project; amending Minnesota Statutes 2008, section 216B.241, by adding a subdivision.

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

Senators Sparks, Prettner Solon and Senjem.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Welti moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 3046. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2037, A bill for an act relating to state government; moving appropriations of general fund dedicated revenues to other funds; amending Minnesota Statutes 2008, sections 3.9741, subdivision 2; 8.15, subdivision 3; 13.03, subdivision 10; 16C.23, subdivision 6; 103B.101, subdivision 9; 103I.681, subdivision 11; 116J.551, subdivision 1; 190.32; 257.69, subdivision 2; 260C.331, subdivision 6; 299C.48; 299E.02; 446A.086, subdivision 2; 469.177, subdivision 11; 518.165, subdivision 3; 609.3241; 611.20, subdivision 3; Minnesota Statutes 2009 Supplement, section 270.97; Laws 1994, chapter 531, section 1.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Solberg moved that the House concur in the Senate amendments to H. F. No. 2037 and that the bill be repassed as amended by the Senate.

A roll call was requested and properly seconded.

Magnus moved that the House refuse to concur in the Senate amendments to H. F. No. 2037, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses.

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:

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

Morrow 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 Magnus motion that the House refuse to concur in the Senate amendments to H. F. No. 2037, and that the Speaker appoint a Conference Committee and the roll was called. There were 59 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Buesgens	Davids	Dettmer	Draskowski
Anderson, B.	Beard	Bunn	Dean	Doepke	Eastlund
Anderson, P.	Brod	Cornish	Demmer	Downey	Emmer

Garofalo	Howes	Loon	Murdock	Scalze	Swails
Gottwalt	Jackson	Mack	Nornes	Scott	Torkelson
Gunther	Kath	Magnus	Norton	Seifert	Urdahl
Hackbarth	Kelly	Masin	Obermueller	Severson	Welti
Hamilton	Kiffmeyer	McFarlane	Peppin	Shimanski	Westrom
Holberg	Kohls	McNamara	Rosenthal	Smith	Zellers
Hoppe	Lanning	Morgan	Sanders	Sterner	

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the Solberg motion that the House concur in the Senate amendments to H. F. No. 2037 and that the bill be re-passed as amended by the Senate and the roll was called. There were 71 yeas and 63 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler	Brod	Demmer	Eastlund	Hamilton	Kelly
Anderson, B.	Buesgens	Dettmer	Emmer	Holberg	Kiffmeyer
Anderson, P.	Bunn	Dittrich	Garofalo	Hoppe	Kohls
Anderson, S.	Cornish	Doepke	Gottwalt	Howes	Lanning
Beard	Dauids	Downey	Gunther	Jackson	Loon
Benson	Dean	Draskowski	Hackbarth	Kath	Mack

Magnus	Murdock	Peppin	Scott	Sterner	Westrom
Masin	Nornes	Rosenthal	Seifert	Swails	Zellers
McFarlane	Norton	Ruud	Severson	Torkelson	
McNamara	Obermueller	Sanders	Shimanski	Urdahl	
Morgan	Pelowski	Scalze	Smith	Walti	

The motion prevailed.

H. F. No. 2037, A bill for an act relating to the state budget; balancing proposed general fund spending and anticipated general fund revenue; modifying certain payment schedules to improve cash flow; making reductions in appropriations for E-12 education, higher education, environment and natural resources, energy and commerce, agriculture, economic development, transportation, public safety, state government, human services, and health; modifying calculation of state tax aids and credits; providing for deposit of certain receipts in the special revenue fund rather than the general fund; adding a fourth tier to income tax rates; appropriating money; amending Minnesota Statutes 2008, sections 3.9741, subdivision 2; 8.15, subdivision 3; 13.03, subdivision 10; 16C.23, subdivision 6; 103B.101, subdivision 9; 103L.681, subdivision 11; 116J.551, subdivision 1; 123B.75, subdivisions 5, 9, by adding a subdivision; 126C.48, subdivision 7; 127A.441; 127A.45, subdivisions 2, 13; 127A.46; 190.32; 256B.76, subdivision 4; 257.69, subdivision 2; 260C.331, subdivision 6; 273.1384, subdivision 6, as added; 276.112; 289A.60, by adding a subdivision; 290.06, subdivision 2d; 299C.48; 299E.02; 446A.086, subdivision 2, as amended; 469.177, subdivision 11; 518.165, subdivision 3; 609.3241; 611.20, subdivision 3; Minnesota Statutes 2009 Supplement, sections 123B.54; 137.025, subdivision 1; 256B.056, subdivision 3c; 256B.0659, subdivision 11; 256B.441, subdivision 55; 256B.69, subdivision 5a; 256B.76, subdivision 1; 256B.766; 270.97; 289A.20, subdivision 4; 290.06, subdivision 2c; Laws 1994, chapter 531, section 1; Laws 2009, chapter 79, article 13, sections 3, subdivision 8, as amended; 4, subdivision 4, as amended; Laws 2009, chapter 96, article 1, section 24, subdivisions 2, 5, 6, 7; article 2, section 67, subdivisions 2, 3, 4, 7, 9; article 3, section 21, subdivisions 2, 3, 4, 5; article 4, section 12, subdivisions 2, 3, 4, 6; article 5, section 13, subdivisions 4, 6, 7, 9; article 6, section 11, subdivisions 2, 3, 4, 6, 7, 8, 9, 12; article 7, section 3, subdivision 2; Laws 2010, chapter 215, article 3, section 3, subdivision 6; article 13, section 6; proposing coding for new law in Minnesota Statutes, chapter 477A.

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

The question was taken on the repassage of the bill and the roll was called. There were 71 yeas and 63 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 3729, A bill for an act relating to the financing and operation of state and local government; making policy, technical, administrative, payment, enforcement, collection, refund, and other changes to individual income; corporate franchise, estate, sales and use, local taxes, gross receipts, gross revenues, cigarette, tobacco, insurance, property, minerals, petroleum, and other taxes and tax-related provisions; requiring sunset of new tax expenditures; property tax reform, accountability, value, and efficiency provisions; modifying certain payment schedules; making changes to tax-forfeited land, emergency debt certificate, local government aid, job opportunity building zone, special service district, agricultural preserve, tax increment financing, economic development authority, and special taxing district provisions; increasing and modifying certain borrowing authorities; modifying bond allocation provisions; specifying duties of assessors; requiring studies; providing appointments; appropriating money; amending Minnesota Statutes 2008, sections 60A.209, subdivision 1; 82B.035, subdivision 2; 103D.335, subdivision 17; 270.075, subdivisions 1, 2; 270.41, subdivision 5; 270C.11, subdivision 4; 270C.34, subdivision 1; 270C.52, subdivision 2; 270C.87; 270C.94, subdivision 3; 272.0213; 272.025, subdivisions 1, 3; 272.029, subdivisions 4, 7; 273.061, subdivisions 7, 8; 273.113, subdivision 3; 273.1231, subdivision 1; 273.1232, subdivision 1; 273.124, subdivisions 1, 8, 14; 273.13, subdivision 34; 273.1392; 275.71, subdivisions 4, 5; 276.02; 276.112; 279.01, subdivision 3; 279.025; 279.37, subdivision 1; 282.01, subdivisions 1, 1a, 1b, 1c, 1d, 2, 3, 4, 7, 7a, by adding subdivisions; 289A.08, subdivision 7; 289A.09, subdivision 2; 289A.10, subdivision 1; 289A.12, subdivision 14; 289A.30, subdivision 2; 289A.50, subdivisions 2, 4; 289A.60, subdivision 7, by adding a subdivision; 290.014, subdivision 2; 290.067, subdivision 1; 290.081; 290.0921, subdivision 3; 290.17, subdivision 2; 290.21, subdivision 4; 290B.03, by adding a subdivision; 290B.04, subdivisions 3, 4; 290B.05, subdivision 1; 291.03, by adding a subdivision; 295.55, subdivisions 2, 3; 297A.62, as amended; 297A.665; 297A.68, subdivision 39; 297A.70, subdivision 13; 297A.71, subdivisions 23, 39; 297A.995, subdivisions 10, 11; 297F.01, subdivision 22a; 297F.04, by adding a subdivision; 297F.07, subdivision 4; 297F.25, subdivision 1; 297I.01, subdivision 9; 297I.05, subdivision 7; 297I.30, subdivisions 1, 2, 7, 8; 297I.40, subdivisions 1, 5; 297I.65, by adding a subdivision; 298.282, subdivision 1; 428A.12; 428A.18, subdivision 2; 469.101, subdivision 1; 469.319, subdivision 5; 469.3193; 473.39, by adding a subdivision; 473H.05, subdivision 1; 474A.04, subdivision 6; 474A.091, subdivision 3; Minnesota Statutes 2009 Supplement, sections 134.34, subdivision 4; 137.025, subdivision 1; 273.114, subdivision 2; 273.124, subdivision 3a; 273.13, subdivisions 23, 25; 275.065, subdivision 3; 275.70, subdivision 5, as amended; 276.04, subdivision 2; 279.01, subdivision 1; 289A.18, subdivision 1; 289A.20, subdivision 4; 290.01, subdivisions 19a, 19b, as amended, 19d; 290.06, subdivision 2c; 290.0671, subdivision 1; 290.091, subdivision 2; 290B.03, subdivision 1; 291.005, subdivision 1, as amended; 297I.35, subdivision 2; 475.755; 477A.011,

subdivision 36, as amended; 477A.013, subdivision 8; Laws 2001, First Special Session chapter 5, article 3, section 50, as amended; Laws 2002, chapter 377, article 3, section 25, as amended; Laws 2009, chapter 88, article 2, section 49; article 4, sections 5; 23, subdivision 4; Laws 2010, chapter 216, sections 2, subdivision 3; 3, subdivision 6; by adding subdivisions; 4, subdivisions 1, 2, 4, 6, 7, 8; proposing coding for new law in Minnesota Statutes, chapters 3; 6; 270C; 273; 296A; 524; 645; repealing Minnesota Statutes 2008, sections 282.01, subdivisions 9, 10, 11; 297I.30, subdivisions 4, 5, 6; 383A.76.

The Senate has appointed as such committee:

Senators Bakk, Skoe, Rest, Moua and Senjem.

Said House File is herewith returned to the House.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 1770, 2937, 3043 and 3361.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

The Speaker called Juhnke to the Chair.

### **FIRST READING OF SENATE BILLS**

S. F. No. 1770, A bill for an act relating to poverty; establishing the Ladder Out of Poverty Task Force; providing for its membership and duties; providing legislative appointments.

The bill was read for the first time.

Lanning moved that S. F. No. 1770 and H. F. No. 2062, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2937, A bill for an act relating to human services; chemical dependency treatment; pilot projects; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 254B; repealing Laws 2009, chapter 79, article 7, section 26, subdivision 3.

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

S. F. No. 3043, A bill for an act relating to commerce; reducing the size of the Real Estate Appraiser Advisory Board; providing for the licensing and regulation of appraisal management companies; appropriating money; amending Minnesota Statutes 2008, sections 82B.05, subdivision 5, by adding a subdivision; 82B.06; Minnesota Statutes 2009 Supplement, section 82B.05, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 82C.

The bill was read for the first time.

Juhnke moved that S. F. No. 3043 and H. F. No. 3122, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 3361, A bill for an act relating to real property transfers; prohibiting private transfer fees; proposing coding for new law in Minnesota Statutes, chapter 513.

The bill was read for the first time.

Jackson moved that S. F. No. 3361 and H. F. No. 3786, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### **CALENDAR FOR THE DAY**

Sertich moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

### **ANNOUNCEMENTS BY THE SPEAKER**

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3729:

Lenczewski, Marquart, Koenen, Loeffler and Urdahl.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 3046:

Welti, Hilty and Demmer.

### **MOTIONS AND RESOLUTIONS**

Solberg moved that the names of Carlson, Lenczewski and Greiling be added as authors on H. F. No. 2037. The motion prevailed.

Ruud moved that the name of Poppe be added as an author on H. F. No. 3046. The motion prevailed.

Shimanski moved that the name of Dettmer be added as an author on H. F. No. 3458. The motion prevailed.

Drazkowski moved that the name of Anderson, B., be added as an author on H. F. No. 3830. The motion prevailed.

Dill moved that the name of Sailer be added as an author on H. F. No. 3836. The motion prevailed.

## FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Solberg announced his intention to place H. F. No. 3833; and S. F. Nos. 3019, 2702 and 2885 on the Fiscal Calendar for Tuesday, May 11, 2010.

## ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, May 11, 2010. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Juhnke declared the House stands adjourned until 10:00 a.m., Tuesday, May 11, 2010.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

