

STATE OF MINNESOTA

EIGHTY-SIXTH SESSION — 2009

 FIFTY-FIFTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 15, 2009

The House of Representatives convened at 11:30 a.m. and was called to order by Melissa Hortman, Speaker pro tempore.

Prayer was offered by the Reverend Eric Hucke, Bemidji United Methodist Church, Bemidji, Minnesota.

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

The roll was called and the following members were present:

Abeler	Demmer	Hausman	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	Liebling	Obermueller	Slocum
Beard	Downey	Hoppe	Lieder	Olin	Smith
Benson	Drazkowski	Hornstein	Lillie	Otremba	Solberg
Bigham	Eastlund	Hortman	Loeffler	Pelowski	Sterner
Bly	Eken	Hosch	Loon	Peppin	Swails
Brod	Emmer	Howes	Mack	Persell	Thao
Brown	Falk	Huntley	Magnus	Peterson	Thissen
Brynaert	Faust	Jackson	Mahoney	Poppe	Tillberry
Buesgens	Fritz	Johnson	Mariani	Reinert	Torkelson
Bunn	Gardner	Juhnke	Marquart	Rosenthal	Urdahl
Carlson	Garofalo	Kahn	Masin	Rukavina	Wagenius
Champion	Gottwalt	Kalin	McFarlane	Ruud	Ward
Clark	Greiling	Kath	McNamara	Sailer	Welti
Cornish	Gunther	Kelly	Morgan	Sanders	Westrom
Davids	Hackbarth	Kiffmeyer	Morrow	Scalze	Winkler
Davnie	Hamilton	Knuth	Mullery	Scott	Zellers
Dean	Hansen	Koenen	Murphy, E.	Seifert	Spk. Kelliher

A quorum was present.

Murdock and Paymar were excused.

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

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 Speaker pro tempore Hortman.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Hausman; Huntley; Murphy, E., and Thissen introduced:

H. F. No. 2389, A bill for an act relating to health facilities; requiring a study and report on the feasibility and potential benefits of establishing a health facilities authority.

The bill was read for the first time and referred to the Committee on Health Care and Human Services Policy and Oversight.

Faust and Beard introduced:

H. F. No. 2390, A bill for an act relating to energy; providing for carbon sequestration exemption to greenhouse gas control plan; amending Minnesota Statutes 2008, section 216H.03, subdivision 7.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

MESSAGES FROM THE SENATE

The following message was 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. 1012, A bill for an act relating to state government; appropriating money for environment and natural resources.

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

Senators Anderson, Frederickson, Vickerman, Chaudhary and Pariseau.

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

Wagenius 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. 1012. The motion prevailed.

The following Conference Committee report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 523

A bill for an act relating to education; modifying school background check requirements relating to disciplinary actions; amending Minnesota Statutes 2008, section 123B.03, subdivision 1a.

May 14, 2009

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. 523 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. 523 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 123B.03, subdivision 1a, is amended to read:

Subd. 1a. **Investigation of disciplinary actions taken against prospective teachers.** (a) At the time a school board or other hiring authority conducts the criminal history background check required under subdivision 1 on an individual offered employment as a teacher, the school board or other hiring authority must contact the Board of Teaching to determine whether the board has taken disciplinary action against the teacher based on a board determination that sexual misconduct or attempted sexual misconduct occurred between the teacher and a student. If disciplinary action has been taken based on this type of misconduct, The school board or other hiring authority must obtain access to data that are public under section 13.41, subdivision 5, from the Board of Teaching that relate to the substance of the disciplinary action. In addition, the school board or other hiring authority must require the individual to provide information in the employment application regarding all current and previous disciplinary actions in Minnesota and other states taken against the individual's teaching license as a result of sexual misconduct or attempted sexual misconduct with a student and indicate to the applicant that intentionally submitting false or incomplete information is a ground for dismissal.

(b) For purposes of this subdivision, "disciplinary action" does not include an action based on court-ordered child support or maintenance payment arrearages under section 214.101 or delinquent state taxes under section 270C.72.

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

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

House Conferees: KARLA BIGHAM, SANDRA PETERSON and BOB DETTMER.

Senate Conferees: KATHY SALTZMAN, LINDA SCHEID and GEN OLSON.

Bigham moved that the report of the Conference Committee on H. F. No. 523 be adopted and that the bill be repassed as amended by the Conference Committee.

CALL OF THE HOUSE

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

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

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

The question recurred on the Bigham motion that the report of the Conference Committee on H. F. No. 523 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 523, A bill for an act relating to education; modifying school background check requirements relating to disciplinary actions; amending Minnesota Statutes 2008, section 123B.03, subdivision 1a.

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	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	Liebling	Obermueller	Slocum
Beard	Downey	Hoppe	Lieder	Olin	Smith
Benson	Drazkowski	Hornstein	Lillie	Otremba	Solberg
Bigham	Eastlund	Hortman	Loeffler	Pelowski	Sterner
Bly	Eken	Hosch	Loon	Peppin	Swails
Brod	Emmer	Howes	Mack	Persell	Thao
Brown	Falk	Huntley	Magnus	Peterson	Thissen
Brynaert	Faust	Jackson	Mahoney	Poppe	Tillberry
Buesgens	Fritz	Johnson	Mariani	Reinert	Torkelson
Bunn	Gardner	Juhnke	Marquart	Rosenthal	Urdahl
Carlson	Garofalo	Kahn	Masin	Rukavina	Wagenius
Champion	Gottwalt	Kalin	McFarlane	Ruud	Ward
Clark	Greiling	Kath	McNamara	Sailer	Welti
Cornish	Gunther	Kelly	Morgan	Sanders	Westrom
Davids	Hackbarth	Kiffmeyer	Morrow	Scalze	Winkler
Davnie	Hamilton	Knuth	Mullery	Scott	Zellers
Dean	Hansen	Koenen	Murphy, E.	Seifert	Spk. Kelliher

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

CALL OF THE HOUSE LIFTED

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Sertich from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Friday, May 15, 2009:

S. F. Nos. 1566, 213, 1504 and 915; H. F. No. 266; S. F. Nos. 1494 and 1302; H. F. No. 1805; and S. F. Nos. 707, 548, 140, 1481 and 740.

CALENDAR FOR THE DAY

S. F. No. 79 was reported to the House.

Sertich moved to amend S. F. No. 79, the first engrossment, as follows:

Page 1, line 23, delete "nonstate" and insert "other"

The motion prevailed and the amendment was adopted.

S. F. No. 79, A bill for an act relating to local government; authorizing the Central Iron Range Sanitary Sewer District; amending Laws 2006, chapter 258, section 21, subdivision 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 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	Liebling	Obermueller	Slocum
Beard	Downey	Hoppe	Lieder	Olin	Smith
Benson	Drazkowski	Hornstein	Lillie	Otremba	Solberg
Bigham	Eastlund	Hortman	Loeffler	Pelowski	Sterner
Bly	Eken	Hosch	Loon	Peppin	Swails
Brod	Emmer	Howes	Mack	Persell	Thao
Brown	Falk	Huntley	Magnus	Peterson	Thissen
Brynaert	Faust	Jackson	Mahoney	Poppe	Tillberry
Buesgens	Fritz	Johnson	Mariani	Reinert	Torkelson
Bunn	Gardner	Juhnke	Marquart	Rosenthal	Urdahl
Carlson	Garofalo	Kahn	Masin	Rukavina	Wagenius
Champion	Gottwalt	Kalin	McFarlane	Ruud	Ward
Clark	Greiling	Kath	McNamara	Sailer	Welti
Cornish	Gunther	Kelly	Morgan	Sanders	Westrom
Davids	Hackbarth	Kiffmeyer	Morrow	Scalze	Winkler
Davnie	Hamilton	Knuth	Mullery	Scott	Zellers
Dean	Hansen	Koenen	Murphy, E.	Seifert	Spk. Kelliher

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

H. F. No. 354 was reported to the House.

Hilstrom moved to amend H. F. No. 354, the third engrossment, as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

HOMESTEAD-LENDER MEDIATION

Section 1. Minnesota Statutes 2008, section 580.021, is amended to read:

580.021 FORECLOSURE PREVENTION COUNSELING; MEDIATION REFERRAL.

Subdivision 1. **Applicability.** This section applies to foreclosure of mortgages under this chapter or chapter 581 on property consisting of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residency on the date of service of the notice of sale of the owner.

Subd. 2. **Requirement to provide notice of opportunity for counseling and mediation.** When the written notice required under section 47.20, subdivision 8, is provided and before the notice of pendency under section 580.032, subdivision 3, is filed, a party foreclosing on a mortgage must provide to the mortgagor information contained in a form prescribed in section 580.022, subdivision 1, that:

(1) foreclosure prevention counseling services provided by an authorized foreclosure prevention counseling agency are available; ~~and~~

(2) notice that the party will transmit the homeowner's name, address, and telephone number to an approved foreclosure prevention agency and the Office of the Attorney General; and

(3) notice that if the mortgagor receives counseling services but is unable to resolve the default, the mortgagor may have the mortgage debt reviewed in a mediation proceeding with a mediator approved by the attorney general.

Clause (3) expires on July 1, 2012.

Nothing in this subdivision prohibits the notices required by this subdivision from being provided concurrently with the written notice required under section 47.20, subdivision 8.

For the purposes of this section, an "authorized foreclosure prevention counseling agency" or "counseling agency" is a government agency or a nonprofit agency approved funded, all or in part for foreclosure prevention services, by the Minnesota Housing Finance Agency or the United States Department of Housing and Urban Development, or otherwise approved by the United States Department of Housing and Urban Development to provide foreclosure prevention counseling services.

Subd. 3. **Notification to authorized counseling agency.** The party entitled to foreclose shall, within one week of sending the notice prescribed in section 580.022, provide to the appropriate authorized foreclosure prevention counseling agency and the Office of the Attorney General the mortgagor's name, address, and most recent known telephone number.

Subd. 4. **Notice of provision of counseling; request for contact information.** (a) An authorized foreclosure prevention counseling agency that contacts or is contacted by a mortgagor or the mortgagor's authorized representative and agrees to provide foreclosure prevention assistance services to the mortgagor or representative must provide the form prescribed in section 580.022, subdivision 2, to the mortgagee. The form serves as notice to the mortgagee that the mortgagor is receiving foreclosure prevention counseling assistance. Upon receipt of the form, the mortgagee must not commence or continue a foreclosure proceeding past the day prior to the time when the initial published notice contained in section 580.03 must be given, except when allowed under sections 583.40 to 583.48.

(b) The mortgagee must return the form to the ~~authorized foreclosure prevention counseling~~ agency within 15 days of receipt of the form with the name and telephone number of the mortgagee's agent. The agent must be a person authorized by the mortgagee to:

(1) discuss with the ~~authorized foreclosure prevention counseling~~ agency or the mortgagor the terms of the mortgage; and

(2) negotiate any resolution to the mortgagor's default.

(c) Nothing in this subdivision requires a mortgagee to reach a resolution relating to the mortgagor's default.

Subd. 5. Mediation referral. (a) If an authorized foreclosure prevention counseling agency provides counseling services to a mortgagor, the counseling agency must discuss repayment options and alternatives for resolving the default with the mortgagor and mortgagee. If the mortgagor and mortgagee are unable to negotiate a resolution of the mortgagor's default within 60 days of receipt of the form submitted by the mortgagee under subdivision 4, paragraph (b), the counseling agency must give the mortgagor a mediation request affidavit in the form prescribed in section 583.46, subdivision 2, unless the mortgagor is not eligible for mediation under section 583.41. The counseling agency also must inform the mortgagor that if the mortgagor wishes to pursue mediation, the form must be sent by certified mail to the attorney general within seven days of receipt of the form. The counseling agency must forward the mortgagor's name to the attorney general along with a copy of the form submitted by the mortgagee under subdivision 4, paragraph (b), to verify the mortgagor's eligibility to participate in mediation.

(b) This subdivision expires on July 1, 2012.

Sec. 2. Minnesota Statutes 2008, section 580.022, subdivision 1, is amended to read:

Subdivision 1. **Counseling form.** The notice required under section 580.021, subdivision 2, ~~clause (2)~~, must be printed on colored paper that is other than the color of any other document provided with it and must appear substantially as follows:

"PREFORECLOSURE NOTICE

Foreclosure Prevention Counseling and Mediation

Why You Are Getting This Notice

YOU HAVE DEFAULTED ON A MORTGAGE OF THE HOMESTEAD PROPERTY DESCRIBED AS [Legal Description and Property Address]. THE HOLDER OF THE MORTGAGE, [Name of Holder of Mortgage] INTENDS TO FORECLOSE ON THIS PROPERTY. YOU HAVE THE RIGHT TO PARTICIPATE IN A MEDIATION PROCESS TO SEE IF A RESOLUTION CAN BE REACHED WITH [Name of Holder of Mortgage]. TO LEARN MORE ABOUT MEDIATION, CONTACT THE OFFICE OF THE ATTORNEY GENERAL AT (651) 296-3353 OR 1-800-657-3787, OR ONLINE AT WWW.AG.STATE.MN.US. IF YOU WANT TO PARTICIPATE IN MEDIATION, YOU MUST FIRST PARTICIPATE IN FORECLOSURE PREVENTION COUNSELING WITH THE AGENCY LISTED BELOW.

We do not want you to lose your home and your equity. Government-approved nonprofit agencies are available to, if possible, help you prevent foreclosure.

We have given your contact information to an authorized foreclosure prevention counseling agency to contact you to help you prevent foreclosure.

Who Are These Foreclosure Prevention Counseling Agencies

They are nonprofit agencies who are experts in housing and foreclosure prevention counseling and assistance. They are experienced in dealing with lenders and homeowners who are behind on mortgage payments and can help you understand your options and work with you to address your delinquency. They are approved by either the Minnesota Housing Finance Agency or the United States Department of Housing and Urban Development. They are not connected with us in any way.

Which Agency Will Contact You

[insert name, address, and telephone number of agency]

You can also contact them directly."

Sec. 3. Minnesota Statutes 2008, section 580.23, is amended by adding a subdivision to read:

Subd. 1a. **Five-month redemption period.** (a) Notwithstanding subdivision 1, if, before the sale of lands in conformity with the preceding sections of this chapter, the mortgagor or the mortgagor's personal representatives or assigns participated in mediation proceedings under sections 583.40 to 583.49, the period of time for redemption as provided under subdivision 1 is five months instead of six months.

(b) This subdivision expires on July 1, 2012.

Sec. 4. Minnesota Statutes 2008, section 582.30, subdivision 2, is amended to read:

Subd. 2. ~~Not if six-month or five-week redemption period~~ **No deficiency judgment.** A deficiency judgment is not allowed if a mortgage is foreclosed by advertisement under chapter 580, and has a redemption period of six months under section 580.23, subdivision 1, five months under section 580.23, subdivision 1a, or five weeks under section 582.032.

Sec. 5. **[583.40] DEFINITIONS.**

Subdivision 1. **Applicability.** The definitions in this section apply to sections 583.40 to 583.48.

Subd. 2. **Commence a foreclosure proceeding.** "Commence a foreclosure proceeding" means to file a notice of pendency under section 580.032 or commence a foreclosure action under chapter 581.

Subd. 3. **Send.** "Send" means to deliver by certified mail or another method acknowledging receipt.

Subd. 4. **Serve.** "Serve" means personal service under the Minnesota Rules of Civil Procedure.

Sec. 6. **[583.41] APPLICABILITY.**

Subdivision 1. **Creditors.** (a) Sections 583.40 to 583.48 apply to a person who is the holder of a mortgage to which section 580.021 applies.

(b) Sections 583.40 to 583.48 do not apply to property if the holder of the mortgage, before selling the property to the owner, occupied the property as the holder's principal place of residency.

Subd. 2. **Debtors.** Sections 583.40 to 583.48 apply to a debtor who has received foreclosure prevention counseling under section 580.021 and who has been verified as eligible for mediation by an authorized foreclosure prevention counseling agency, or who files a mediation request under section 583.42, subdivision 1, paragraph (b), indicating that the debtor did not receive the required preforeclosure prevention counseling and mediation notice. Sections 583.40 to 583.48 do not apply to a debtor who qualifies as a debtor under the Farmer-Lender Mediation Act.

Subd. 3. **Applicability.** Sections 580.40 to 583.48 do not apply to mortgages refinanced or modified under the Home Affordable Refinance or Home Affordable Modification Programs established by the United States Treasury Department in 2009.

Subd. 4. **Eligibility.** For the purposes of sections 580.40 to 583.48, a debtor is eligible for mediation only if the following criteria apply:

(1) the debtor generally meets all the mediation eligibility requirements in sections 583.40 to 583.48;

(2) if, while the foreclosure prevention counseling agency provided counseling services to the debtor, the creditor did not modify the debtor's mortgage loan that is subject to the foreclosure proceeding; and

(3) there is a reasonable likelihood that the debtor could afford a modified loan. The mediator must consider whether a potential loan modification would result in a debt-to-income ratio that is within the traditional secondary market loan qualification guidelines established by Fannie Mae and/or Freddie Mac.

Sec. 7. **[583.42] MANDATORY MEDIATION PROCEEDINGS.**

Subdivision 1. **Mediation request.** (a) A debtor who wishes to participate in mediation must send a mediation request affidavit in the form prescribed in section 583.46, subdivision 2 to the attorney general within seven days after receiving the mediation request affidavit from the counseling agency under section 580.021, subdivision 5. The debtor must disclose all known creditors with debts secured by the property. A debtor who fails to send a timely mediation request waives the right to mediation under sections 583.40 to 583.48 for that specific mortgage foreclosure. Upon receipt of a mediation request affidavit, the attorney general must send a copy of the affidavit to the holder of the mortgage. The holder of the mortgage must not commence a foreclosure proceeding against the property or proceed with a proceeding to which paragraph (b) applies until the stay of the foreclosure is lifted or as otherwise authorized under sections 583.40 to 583.48.

(b) If a debtor did not receive the preforeclosure prevention counseling and mediation notice required under section 580.021 and a mortgage foreclosure proceeding has been commenced against the debtor's property, the debtor may send the mediation request affidavit to the attorney general at any time before the time when the initial public notice contained in section 580.03 must be given. The mediation request affidavit must indicate that the debtor has not received the required notice.

(c) The attorney general must combine all mediation requests for the same debtor that are received before the initial mediation meeting into one mediation proceeding.

(d) The debtor shall only be entitled to a single mediation proceeding for that specific mortgage foreclosure. In the event a mortgage is modified through the mediation process contained in sections 583.40 to 583.48, that mortgage shall not be eligible for mediation if the modified mortgage becomes the subject of subsequent foreclosure proceeding.

Subd. 2. **Mediation proceeding notice.** (a) Within ten days after receiving a mediation request, the attorney general must send:

(1) a mediation proceeding notice to the debtor; and

(2) a mediation proceeding notice to all creditors with a lien on the property listed by the debtor in the mediation request.

(b) The mediation proceeding notice must disclose:

(1) the name and address of the debtor;

(2) that the debtor has requested mediation under sections 583.40 to 583.48;

(3) the time and place for the initial mediation meeting;

(4) that in lieu of having a mediator assigned by the attorney general, the debtor and any one or more of the creditors may agree to select and pay for a professional mediator who must be approved by the attorney general;

(5) that sections 583.40 to 583.48 do not prohibit the creditor from continuing the foreclosure proceeding up through, but not including, the time when the initial published notice contained in section 580.03 must be given but the creditor must not publish the initial notice, except as otherwise allowed under sections 583.40 to 583.48;

(6) by the initial mediation meeting, the creditor must provide the debtor with a copy of the mortgage and note, a statement of interest rates on the debt, delinquent payments, unpaid principal and interest balances, the creditor's estimate of value of the property, and a general description of the debt restructuring programs available from the creditor; and

(7) by the initial mediation meeting, the debtor must provide the creditor and the mediator with full documentation of the debtor's income and financial obligations.

(c) An initial mediation meeting must be held within 20 days of the mediation proceeding notice. The initial mediation meeting shall be held by telephone or video conference. The mediator shall reserve the right to require the parties, or their representatives, to appear in person for subsequent mediation meetings, if the mediator concludes and certifies that the personal attendance of the parties is reasonably necessary for a meaningful conclusion of the mediation. At the initial mediation meeting, the mediator shall determine whether or not there is a reasonable likelihood that the debtor could afford a modified loan.

(d) In lieu of the attorney general assigning a mediator, the debtor and creditor may agree to select and pay for a professional mediator for the mediation proceeding. The attorney general must approve the professional mediator before the professional mediator may be assigned to the mediation proceeding. The professional mediator may not be approved unless the professional mediator prepares and signs an affidavit:

(1) disclosing any biases, relationships, or previous associations with the debtor or creditor subject to the mediation proceedings;

(2) stating certifications, training, or qualifications as a professional mediator;

(3) disclosing fees to be charged or a rate schedule of fees for the mediation proceeding; and

(4) affirming to uphold sections 583.40 to 583.48.

Subd. 3. Effect of mediation proceeding notice. (a) Sections 583.40 to 583.48 do not prevent a creditor from continuing the foreclosure proceeding up through, but not including, the time when the initial published notice contained in section 580.03 must be given. A creditor must not publish the initial notice, except as otherwise allowed under sections 583.40 to 583.48.

(b) Notwithstanding paragraph (a), a creditor receiving a mediation proceeding notice may commence or continue a mortgage foreclosure proceeding against the property if:

(1) the creditor receives a mediator's affidavit of the debtor's lack of good faith under section 583.43;

(2) ten days have expired since the debtor and creditor signed an unrevoked agreement under subdivision 7 allowing the creditor to commence mortgage foreclosure proceedings against the property; or

(3) the creditor receives a termination statement under subdivision 8.

(c) A creditor receiving a mediation proceeding notice must provide the debtor by the initial mediation meeting with a copy of the mortgage and note, a statement of interest rates on the debt, delinquent payments, unpaid principal and interest balances, the creditor's estimate of the value of the property, and a general description of the debt restructuring programs available from the creditor.

(d) The provisions of this subdivision are subject to section 583.43, relating to extensions or reductions in the period before a creditor may commence or continue a mortgage foreclosure proceeding.

Subd. 4. **Eligibility and duties of mediator.** (a) The attorney general may appoint and arrange for the compensation of mediators who are qualified persons experienced in finance or negotiation.

(b) A person is not eligible to be a mediator if the person has a conflict of interest that does not allow the person to be impartial.

(c) At all mediation meetings, the mediator shall:

(1) attempt to mediate between the debtor and the creditors;

(2) advise the debtor and creditors of assistance programs that are available;

(3) attempt to arrive at an agreement to fairly adjust, refinance, or pay the mortgage debt; and

(4) advise, counsel, and assist the debtor and creditor in attempting to arrive at an agreement for the future conduct of financial relations between them.

(d) The mediator shall have the discretion to determine the format of the mediation meetings, including whether or not to keep the parties separate.

Subd. 5. **Mediator liability and immunity.** A mediator and the attorney general and their employees are immune from civil liability for actions within the scope of their positions under this chapter. A mediator and the attorney general and their employees do not have a duty to advise a creditor or debtor about the law or to encourage or assist a debtor or creditor regarding their legal rights. This subdivision is in addition to and not a limitation of immunity that otherwise exists under law.

Subd. 6. **Mediation period.** The mediator may call mediation meetings during the mediation period, which may be up to 60 days after the debtor sends a mediation request to the attorney general.

Subd. 7. **Mediation agreement.** (a) If an agreement is reached among the debtor and creditors, the mediator must witness and sign a written mediation agreement, have it signed by the debtor and creditors, and if applicable, submit the agreement to (1) the attorney general, and (2) any court that has jurisdiction over mortgage foreclosure or redemption proceedings regarding the property.

(b) The debtor and creditors who are parties to the approved mediation agreement and creditors who have filed claim forms and have not objected to the mediation agreement:

(1) are bound by the terms of the agreement; and

(2) may enforce the mediation agreement as a legal contract.

(c) A debtor may agree to allow a creditor to commence a mortgage foreclosure proceeding against property that is subject to mediation before the proceeding is otherwise allowed under subdivision 3, provided that the debtor or creditor may rescind the agreement within five business days after that debtor and creditor both sign the agreement.

Subd. 8. **Termination of mediation.** (a) The mediator must sign and serve on the parties and the attorney general an affidavit by the end of the mediation period.

(b) The mediator must prepare an affidavit acknowledging that mediation has ended and that:

(1) describes or references agreements reached between a creditor and the debtor, if any, and agreements reached among creditors, if any; or

(2) states that no agreement was reached between the parties, despite a good faith effort by the parties.

(c) Mediation agreements may be included as part of the affidavit.

(d) Within three business days after the end of mediation, the mediator must forward the affidavit under paragraph (b) for recording with the county recorder or registrar of titles of the county where the property is located. The filed affidavit is prima facie evidence of the facts stated in the affidavit.

Sec. 8. **[583.43] GOOD FAITH REQUIRED.**

Subdivision 1. **Obligation of good faith.** The parties must engage in mediation in good faith. Not participating in good faith includes:

(a) failure to attend and participate in mediation sessions without cause;

(b) failure to provide full information regarding the financial obligations of the parties and other creditors including the obligation of a creditor to provide information under section 583.42, subdivision 3, paragraph (c);

(c) failure of the creditor to designate a representative to participate in the mediation with authority to make binding commitments;

(d) lack of a written statement of debt restructuring alternatives and a statement of reasons why alternatives are unacceptable to one of the parties; and

(e) other similar behavior that evidences lack of good faith by a party. A failure to agree to reduce, restructure, refinance, or forgive debt is not, in itself, evidence of lack of good faith by the creditor. Nothing in sections 583.40 to 583.49 shall require a creditor to modify the debt that is the subject of the foreclosure proceeding.

Subd. 2. **Party's bad faith; mediator's affidavit.** If the mediator determines that either party is not participating in good faith as defined in subdivision 1, the mediator must file an affidavit indicating the reasons for the finding with the attorney general and with parties to the mediation.

Subd. 3. **Creditor's bad faith.** If the mediator finds that the creditor has not participated in the mediation in good faith, and the creditor continues with the foreclosure proceeding, then the debtor shall be allowed a six-month redemption period.

Subd. 4. **Debtor's lack of good faith.** If the mediator finds that the debtor has not participated in the mediation in good faith, and the creditor continues with the foreclosure proceeding, then the debtor shall execute a deed in lieu of foreclosure within 90 days of the filing of the mediator's affidavit containing the finding of bad faith.

Sec. 9. **[583.44] CREDITOR NOT ATTENDING MEDIATION MEETING.**

Subdivision 1. **Filing and effect of claim form.** A creditor that is notified of the initial mediation meeting is subject to and bound by a mediation agreement if the creditor does not attend mediation meetings, unless the creditor files a claim form. In lieu of attending a mediation meeting, a creditor may file a claim form with the mediator before the scheduled meeting. By filing a claim form the creditor agrees to be bound by a mediation agreement reached at the mediation meeting unless an objection is filed within the time specified in subdivision 2. The mediator must notify the creditors who have filed claim forms of the terms of any agreement.

Subd. 2. **Objections to agreements.** A creditor who has filed a claim form may serve a written objection to the terms of the mediation agreement on the mediator and the debtor within ten days after receiving notice of the mediation agreement. If a creditor files an objection to the terms of a mediation agreement, the mediator must meet again with debtors and creditors within ten days after receiving the objection. Notwithstanding the mediation period under section 583.43, subdivision 7, if an objection is filed, the mediator must call mediation meetings during the ten-day period following receipt of the objection.

Sec. 10. **[583.45] DATA PRACTICES.**

Data regarding the finances of individual debtors and creditors created, collected, and maintained by the attorney general or mediators under sections 583.40 to 583.48 are private data on individuals or nonpublic data as defined in section 13.02, subdivision 9 or 12.

Sec. 11. **[583.46] FORMS AND COMPENSATION.**

Subdivision 1. **Compensation.** The attorney general must set the compensation of mediators.

Subd. 2. **Mediation request affidavit form.** The affidavit for requesting mediation under section 583.42, must be in substantially the following form:

MEDIATION REQUEST AFFIDAVIT

Re: Homestead-Lender Mediation Act Applicability.

State of Minnesota _____)

) SS.

County of _____)

_____, being first duly sworn, deposes and says:

I wish to participate in a mediation process to resolve a dispute with the holder of a mortgage on property in which I have an ownership interest, located at:

Street Address

City, State, Zip Code

CHECK THE APPLICABLE STATEMENT

This property consists of one to four family dwelling units, one of which I occupied as my principal place of residency on the date that I received a Preforeclosure Notice relating to the dispute.

I did not receive a Preforeclosure Notice but this property consists of one to four family dwelling units, one of which I occupied as my principal place of residency on the date of this Mediation Request Affidavit.

Subscribed and sworn to before me this

_____ day of _____, _____.

Notary Public, _____ County _____

My Commission expires: _____

Sec. 12. **[583.47] ENFORCEMENT.**

A mediation agreement may be enforced by a state district court.

Sec. 13. **[583.48] INCONSISTENT LAWS.**

Sections 583.40 to 583.47 have precedence over any inconsistent or conflicting laws, including chapters 580 and 581.

Sec. 14. **[583.49] EXPIRATION.**

Sections 583.40 to 583.48 expire July 1, 2012.

Sec. 15. **EFFECTIVE DATE.**

This article is effective July 1, 2009, and applies to foreclosures commenced on or after that date.

ARTICLE 2

FEES AND APPROPRIATIONS

Section 1. Minnesota Statutes 2008, section 357.18, subdivision 1, is amended to read:

Subdivision 1. **County recorder fees.** (a) The fees to be charged by the county recorder shall be and not exceed the following:

(1) subject to paragraph (b), for indexing and recording any deed or other instrument a fee of \$46; \$10.50 shall be paid to the state treasury and credited to the general fund; \$10 shall be deposited in the technology fund pursuant to subdivision 3; and \$25.50 shall be deposited in the county general fund;

(2) for documents containing multiple assignments, partial releases or satisfactions a fee of \$46; if the document cites more than four recorded instruments, an additional fee of \$10 for each additional instrument cited over the first four citations;

(3) for certified copies of any records or papers, \$10;

(4) for a noncertified copy of any instrument or writing on file or recorded in the office of the county recorder, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(5) for an abstract of title, the fees shall be determined by resolution of the county board duly adopted upon the recommendation of the county recorder, and the fees shall not exceed \$10 for every entry, \$100 for abstract certificate, \$1 per page for each exhibit included within an abstract as a part of an abstract entry, and \$5 per name for each required name search certification;

(6) for a copy of an official plat filed pursuant to section 505.08, the fee shall be \$10 and an additional \$5 shall be charged for the certification of each plat;

(7) for filing an amended floor plan in accordance with chapter 515, an amended condominium plat in accordance with chapter 515A, or a common interest community plat or amendment complying with section 515B.2-110, subsection (c), the fee shall be 50 cents per apartment or unit with a minimum fee of \$56;

(8) for a copy of a floor plan filed pursuant to chapter 515, a copy of a condominium plat filed in accordance with chapter 515A, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, condominium plat or common interest community plat with a minimum fee of \$10;

(9) for recording any plat, a fee of \$56, of which \$10.50 must be paid to the state treasury and credited to the general fund, \$10 must be deposited in the technology fund pursuant to subdivision 3, and \$35.50 must be deposited in the county general fund; and

(10) for a noncertified copy of any document submitted for recording, if the original document is accompanied by a copy or duplicate original, \$2. Upon receipt of the copy or duplicate original and payment of the fee, a county recorder shall return it marked "copy" or "duplicate," showing the recording date and, if available, the document number assigned to the original.

(b) During the period from the effective date of sections 583.40 to 583.49 through December 31, 2012, the fee under paragraph (a), clause (1), for recording a notice of pendency of a foreclosure by advertisement under section 580.032 or a notice of lis pendens for a foreclosure by action under section 557.02 is increased by \$125; this amount is to be paid to the state treasury and credited to the Homestead-Lender Mediation Act account in the special revenue fund.

Sec. 2. Minnesota Statutes 2008, section 508.82, subdivision 1, is amended to read:

Subdivision 1. **Standard documents.** (a) The fees to be charged by the registrar of titles shall be and not exceed the following:

(1) of the fees provided herein, \$1.50 of the fees collected under clauses (2), (3), (4), (11), (13), (15), (17), and (18) for filing or memorializing shall be paid to the state treasury pursuant to section 508.75 and credited to the general fund;

(2) for registering a first certificate of title, including issuing a copy of it, \$46. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$10.50 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$25.50 shall be deposited in the county general fund;

(3) for registering each instrument transferring the fee simple title for which a new certificate of title is issued and for the registration of the new certificate of title, including a copy of it, \$46. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and
- (iii) \$24 shall be deposited in the county general fund;

(4) subject to paragraph (b), for the entry of each memorial on a certificate, \$46. For multiple certificate entries, \$20 thereafter. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund; and
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used;
- (5) for issuing each residue certificate and each additional new certificate, \$40;
- (6) for exchange certificates, \$20 for each certificate canceled and \$20 for each new certificate issued;
- (7) for each certificate showing condition of the register, \$50;
- (8) for any certified copy of any instrument or writing on file or recorded in the registrar of titles' office, \$10;

(9) for a noncertified copy of any certificate of title, other than the copies issued under clauses (2) and (3), any instrument or writing on file or recorded in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(10) for a noncertified copy of any document submitted for recording, if the original document is accompanied by a copy or duplicate original, \$2. Upon receipt of the copy or duplicate original and payment of the fee, a registrar of titles shall return it marked "copy" or "duplicate," showing the recording date and, if available, the document number assigned to the original;

(11) for filing two copies of any plat, other than a CIC plat complying with section 515B.2-110, paragraph (c), in the office of the registrar, \$56. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and
- (iii) \$34 shall be deposited in the county general fund;

(12) for any other service under this chapter, such fee as the court shall determine;

(13) for filing any document affecting two or more units in a condominium governed by chapter 515, \$46 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. For purposes of this paragraph, an amendment to the declaration of a condominium governed by chapter 515 and a related amendment to the condominium floor plans shall be considered a single document, and the filing fee shall be \$56 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund for amendment to a declaration;
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used; and
- (v) \$34 shall be deposited in the county general fund for an amended floor plan;

(14) for issuance of a CECT pursuant to section 508.351, \$40;

(15) for filing a common interest community declaration and a CIC plat complying with section 515B.2-110, paragraph (c); an amendment to a common interest community declaration and a related amendment to a CIC plat complying with section 515B.2-110, paragraph (c); or a supplemental declaration and a related supplemental CIC plat complying with section 515B.2-110, paragraph (c), each of which related documents shall be considered a single document, the filing fee shall be \$56 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. For filing any other document affecting two or more units in a common interest community, the filing fee shall be \$46 for the first certificate upon which the document is registered, and for multiple certificate entries, \$20 for each additional certificate upon which the document is registered. The same fees shall apply to filing any document affecting two or more units or other parcels subject to a master declaration. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund for the filing of an amendment complying with section 515B.2-110, subsection (c);
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used; and
- (v) \$34 shall be deposited in the county general fund for the filing of a condominium or CIC plat or amendment;

(16) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan or common interest community plat with a minimum fee of \$10;

(17) for the filing of a certified copy of a plat of the survey pursuant to section 508.23 or 508.671, \$46. Pursuant to clause (1), distribution of this fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$24 shall be deposited in the county general fund;

(18) for filing a registered land survey in triplicate in accordance with section 508.47, subdivision 4, \$56. Pursuant to clause (1), distribution of this fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$34 shall be deposited in the county general fund; and

(19) for furnishing a certified copy of a registered land survey in accordance with section 508.47, subdivision 4, \$15.

(b) During the period from the effective date of sections 583.40 to 583.49 through December 31, 2012, the fee under paragraph (a), clause (4), for entry of a memorial of a notice of pendency of a foreclosure by advertisement under section 580.032 or a notice of lis pendens for a foreclosure by action under section 557.02 is increased by \$125; this amount is to be paid to the state treasury and credited to the Homestead-Lender Mediation Act account in the special revenue fund.

Sec. 3. Minnesota Statutes 2008, section 508A.82, subdivision 1, is amended to read:

Subdivision 1. **Standard documents.** (a) The fees to be charged by the registrar of titles shall be and not exceed the following:

(1) of the fees provided herein, \$1.50 of the fees collected under clauses (2), (3), (5), (12), (14), (16), and (19) for filing or memorializing shall be paid to the state treasury pursuant to section 508.75 and credited to the general fund;

(2) for registering a first CPT, including issuing a copy of it, \$46. Pursuant to clause (1), distribution of the fee is as follows:

(i) \$10.50 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$25.50 shall be deposited in the county general fund;

(3) for registering each instrument transferring the fee simple title for which a new CPT is issued and for the registration of the new CPT, including a copy of it, \$46. Pursuant to clause (1), distribution of the fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$24 shall be deposited in the county general fund;

(4) for issuance of a CECT pursuant to section 508A.351, \$40;

(5) subject to paragraph (b), for the entry of each memorial on a CPT, \$46; for multiple certificate entries, \$20 thereafter. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund; and
- (iv) \$20 shall be deposited in the county general fund for each multiple entry used;

(6) for issuing each residue CPT, \$40;

(7) for exchange CPTs or combined certificates of title, \$20 for each CPT and certificate of title canceled and \$20 for each new CPT or combined certificate of title issued;

(8) for each CPT showing condition of the register, \$50;

(9) for any certified copy of any instrument or writing on file or recorded in the registrar of titles' office, \$10;

(10) for a noncertified copy of any CPT, other than the copies issued under clauses (2) and (3), any instrument or writing on file or recorded in the office of the registrar of titles, or any specified page or part of it, an amount as determined by the county board for each page or fraction of a page specified. If computer or microfilm printers are used to reproduce the instrument or writing, a like amount per image;

(11) for a noncertified copy of any document submitted for recording, if the original document is accompanied by a copy or duplicate original, \$2. Upon receipt of the copy or duplicate original and payment of the fee, a registrar of titles shall return it marked "copy" or "duplicate," showing the recording date and, if available, the document number assigned to the original;

(12) for filing two copies of any plat in the office of the registrar, \$56. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and
- (iii) \$34 shall be deposited in the county general fund;

(13) for any other service under sections 508A.01 to 508A.85, the fee the court shall determine;

(14) for filing an amendment to a declaration in accordance with chapter 515, \$46 for each certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter; \$56 for an amended floor plan filed in accordance with chapter 515. Pursuant to clause (1), distribution of the fee is as follows:

- (i) \$12 shall be paid to the state treasury and credited to the general fund;
- (ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;
- (iii) \$24 shall be deposited in the county general fund for amendment to a declaration;

(iv) \$20 shall be deposited in the county general fund for each multiple entry used; and

(v) \$34 shall be deposited in the county general fund for an amended floor plan;

(15) for issuance of a CECT pursuant to section 508.351, \$40;

(16) for filing an amendment to a common interest community declaration, including a supplemental declaration, and plat or amendment complying with section 515B.2-110, subsection (c), and issuing a CECT if required, \$46 for each certificate upon which the document is registered and for multiple certificate entries, \$20 thereafter; \$56 for the filing of the condominium or common interest community plat or amendment. See section 515B.1-116 for special requirement relating to a common interest community. Pursuant to clause (1), distribution of the fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3;

(iii) \$24 shall be deposited in the county general fund for the filing of an amendment complying with section 515B.2-110, subsection (c);

(iv) \$20 shall be deposited in the county general fund for each multiple entry used; and

(v) \$34 shall be deposited in the county general fund for the filing of a condominium or CIC plat or amendment;

(17) for a copy of a condominium floor plan filed in accordance with chapter 515, or a copy of a common interest community plat complying with section 515B.2-110, subsection (c), the fee shall be \$1 for each page of the floor plan, or common interest community plat with a minimum fee of \$10;

(18) in counties in which the compensation of the examiner of titles is paid in the same manner as the compensation of other county employees, for each parcel of land contained in the application for a CPT, as the number of parcels is determined by the examiner, a fee which is reasonable and which reflects the actual cost to the county, established by the board of county commissioners of the county in which the land is located;

(19) for filing a registered land survey in triplicate in accordance with section 508A.47, subdivision 4, \$56. Pursuant to clause (1), distribution of the fee is as follows:

(i) \$12 shall be paid to the state treasury and credited to the general fund;

(ii) \$10 shall be deposited in the technology fund pursuant to section 357.18, subdivision 3; and

(iii) \$34 shall be deposited in the county general fund; and

(20) for furnishing a certified copy of a registered land survey in accordance with section 508A.47, subdivision 4, \$15.

(b) During the period from the effective date of sections 583.40 to 583.49 through December 31, 2012, the fee under paragraph (a), clause (5), for entry of a memorial of a notice of pendency of a foreclosure by advertisement under section 580.032 or a notice of lis pendens for a foreclosure by action under section 557.02 is increased by \$125; this amount is to be paid to the state treasury and credited to the Homestead-Lender Mediation Act account in the special revenue fund.

Sec. 4. **HOMESTEAD-LENDER MEDIATION ACT ACCOUNT.**

Subdivision 1. **Establishment.** The Homestead-Lender Mediation Act account is established in the state treasury.

Subd. 2. **Generally.** The Homestead-Lender Mediation Act account shall be administered by the Minnesota Housing Finance Authority for the purposes described in this section. Any interest or profit accruing from investment of money in the account shall be credited to the Homestead-Lender Mediation Act account.

Subd. 3. **Expenditures.** (a) Money in the Homestead-Lender Mediation Act account may only be used:

(1) to pay for the compensation of mediators appointed by the attorney general under the Homestead-Lender Mediation Act, Minnesota Statutes, section 583.42, subdivision 3;

(2) for reasonable reimbursement for staff and other administrative costs incurred by the attorney general associated with the Homestead-Lender Mediation Act; and

(3) for reimbursement of any funds deposited into the Homestead-Lender Mediation Act account in advance of sufficient revenue to the account.

(b) Money in the Homestead-Lender Mediation Act account is appropriated to the Minnesota Housing Finance Authority to make payments as provided in this subdivision.

Subd. 4. **Appropriation and reimbursement.** (a) Upon expiration of the Homestead-Lender Mediation Act, as specified in Minnesota Statutes, section 583.50, any unused funds left in the Homestead-Lender Mediation Act account shall be transferred to the general fund.

(b) Services provided under the Homestead-Lender Mediation Act are on a first-come, first-served basis to the extent of available funds in the Homestead-Lender Mediation Act account.

Sec. 5. **EFFECTIVE DATE.**

This article is effective July 1, 2009."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hilstrom, Reinert, Dill, Jackson, Mullery, Ward, Bigham, Doty, Kath, Gunther, Davids, Olin, Juhnke, Fritz, Brynaert and Zellers moved to amend H. F. No. 354, the third engrossment, as amended, as follows:

Page 5, after line 26, insert:

"Subd. 5. **Exemption.** Sections 583.40 to 583.48 do not apply to mortgages originated, serviced, and held by a credit union, an organization majority-owned by one or more credit unions, a savings association, or a bank that has a physical location in Minnesota and has had five foreclosures or less during twelve months preceding the date of

the foreclosure notice for the subject mortgage. This exemption only applies if the credit union, savings association, or bank underwrote the loans in its portfolio to prudent industry lending standards including requiring income documentation and verification."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Zellers moved to amend H. F. No. 354, the third engrossment, as amended, as follows:

Page 5, line 24 of the first Hilstrom amendment, delete "mediator" and insert "counselor"

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

Mullery moved to amend H. F. No. 354, the third engrossment, as amended, as follows:

Page 4, after line 14, insert:

"(b) If the mortgagor or the mortgagor's personal representatives or assigns participated in mediation proceedings under sections 583.40 to 583.49, and the mortgagor or owner seeks to postpone the sale as permitted by section 580.07, the postponement must be to the first date that is not a Saturday, Sunday, or legal holiday and is four months after the originally scheduled date of sale. Except as provided in this paragraph, the mortgagor or owner must otherwise follow the provisions of section 580.07 in seeking a postponement of sale."

Page 4, line 15, delete "(b)" and insert "(c)"

Page 4, after line 15, insert:

"**EFFECTIVE DATE.** Paragraph (b) is effective only if the provisions contained in 2009 House File Number 19, the first engrossment, are enacted into law."

The motion prevailed and the amendment was adopted.

H. F. No. 354, A bill for an act relating to real property; providing for mediation prior to commencement of mortgage foreclosure proceedings on homestead property; creating a homestead-lender mediation account; amending Minnesota Statutes 2008, sections 357.18, subdivision 1; 508.82, subdivision 1; 508A.82, subdivision 1; 580.021; 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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 85 yeas and 47 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler	Dean	Emmer	Juhnke	McNamara	Shimanski
Anderson, B.	Demmer	Falk	Kiffmeyer	Nornes	Smith
Anderson, P.	Dettmer	Garofalo	Koenen	Peppin	Solberg
Anderson, S.	Doepke	Gottwalt	Kohls	Sailer	Torkelson
Beard	Downey	Hackbarth	Loon	Sanders	Urdahl
Brod	Drazkowski	Hamilton	Mack	Scott	Westrom
Buesgens	Eastlund	Holberg	Magnus	Seifert	Zellers
Cornish	Eken	Hoppe	McFarlane	Severson	

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

S. F. No. 492 was reported to the House.

Hosch, Cornish, Paymar, Hilstrom, Reinert, Urdahl and Anderson, P., moved to amend S. F. No. 492, the first engrossment, as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2008, section 6.74, is amended to read:

6.74 INFORMATION COLLECTED FROM LOCAL GOVERNMENTS.

The state auditor, or a designated agent, shall collect annually from all city, county, and other local units of government, information as to the assessment of property, collection of taxes, receipts from licenses and other sources including administrative fines assessed and collected pursuant to section 169.999, the expenditure of public funds for all purposes, borrowing, debts, principal and interest payments on debts, and such other information as may be needful. The data shall be supplied upon forms prescribed by the state auditor, and all public officials so called upon shall fill out properly and return promptly all forms so transmitted. The state auditor or assistants, may examine local records in order to complete or verify the information."

Page 3, after line 25, insert:

"Sec. 5. Minnesota Statutes 2008, section 169.985, is amended to read:

169.985 TRAFFIC CITATION QUOTA PROHIBITED.

A law enforcement agency may not order, mandate, require, or suggest to a peace officer a quota for the issuance of traffic citations, including administrative citations authorized under section 169.999, on a daily, weekly, monthly, quarterly, or yearly basis.

Sec. 6. Minnesota Statutes 2008, section 169.99, subdivision 1, is amended to read:

Subdivision 1. **Form.** (a) Except as provided in subdivision 3, and section 169.999, subdivision 3, there shall be a uniform ticket issued throughout the state by the police and peace officers or by any other person for violations of this chapter and ordinances in conformity thereto. Such uniform traffic ticket shall be in the form and have the effect of a summons and complaint. Except as provided in paragraph (b), the uniform ticket shall state that if the defendant fails to appear in court in response to the ticket, an arrest warrant may be issued. The uniform traffic ticket shall consist of four parts, on paper sensitized so that copies may be made without the use of carbon paper, as follows:

(1) the complaint, with reverse side for officer's notes for testifying in court, driver's past record, and court's action, printed on white paper;

(2) the abstract of court record for the Department of Public Safety, which shall be a copy of the complaint with the certificate of conviction on the reverse side, printed on yellow paper;

(3) the police record, which shall be a copy of the complaint and of the reverse side of copy (1), printed on pink paper; and

(4) the summons, with, on the reverse side, such information as the court may wish to give concerning the Traffic Violations Bureau, and a plea of guilty and waiver, printed on off-white tag stock.

(b) If the offense is a petty misdemeanor, the uniform ticket must state that a failure to appear will be considered a plea of guilty and waiver of the right to trial, unless the failure to appear is due to circumstances beyond the person's control.

Sec. 7. **169.999 ADMINISTRATIVE CITATIONS FOR CERTAIN TRAFFIC OFFENSES.**

Subdivision 1. **Authority.** (a) Except for peace officers employed by the state patrol, prior to a peace officer issuing an administrative citation under this section, the governing body for the local unit of government that employs the peace officer must pass a resolution that:

(1) authorizes issuance of administrative citations;

(2) obligates the local unit of government to provide a neutral third party to hear and rule on challenges to administrative citations; and

(3) bars peace officers from issuing administrative citations in violation of this section.

(b) A peace officer may issue an administrative citation to a vehicle operator who:

(1) violates section 169.14, and the violation consists of a speed under ten miles per hour in excess of the lawful speed limit;

(2) fails to obey a stop line in violation of section 169.30; or

(3) operates a vehicle that is in violation of sections 169.46 to 169.68 and 169.69 to 169.75.

(c) The authority to issue an administrative citation is exclusively limited to those offenses listed in this subdivision.

(d) A peace officer who issues an administrative citation for the infraction of speeding under ten miles per hour over the speed limit must use the actual speed a violator's vehicle was traveling at the time of the infraction and may not reduce the recorded speed for purposes of qualifying the offense for an administrative citation. An administrative citation issued for speeding must list the actual speed the vehicle was traveling at the time of the infraction.

Subd. 2. **Officer's authority.** The authority to issue an administrative citation is reserved exclusively to licensed peace officers. An officer may not be required by ordinance or otherwise to issue a citation under this section instead of a criminal citation.

Subd. 3. **Uniform citation.** There shall be a uniform administrative citation issued throughout the state by licensed peace officers for violations of this section. No other citation is authorized for violations of this section. The commissioner of public safety shall prescribe the detailed form of the uniform administrative citation and shall revise the uniform administrative citation on such subsequent occasions as necessary and proper.

Subd. 4. **Right to contest citation.** (a) A peace officer who issues an administrative citation must inform the vehicle operator that the person has the right to contest the citation.

(b) Except as provided in paragraph (c), the local unit of government that employs the peace officer who issues an administrative citation must provide a civil process for a person to contest the administrative citation. The person must be allowed to challenge the citation before a neutral third party. A local unit of government may employ a person to hear and rule on challenges to administrative citations or contract with another local unit of government or a private entity to provide the service.

(c) The state patrol may contract with local units of government or private entities to collect administrative fines and to provide a neutral third party to hear and rule on challenges to administrative citations. An administrative citation issued by a state patrol trooper must clearly state how and where a violator can challenge the citation.

Subd. 5. **Fines; disbursement.** (a) A person who commits an administrative violation under subdivision 1 must pay a fine of \$60.

(b) Except as provided in paragraph (c), two-thirds of a fine collected under this section must be credited to the general revenue fund of the local unit of government that employs the peace officer who issued the citation, and one-third must be transferred to the commissioner of finance to be deposited in the state general fund. A local unit of government receiving fine proceeds under this section must use at least one-half of the funds for law enforcement purposes. The funds must be used to supplement but not supplant any existing law enforcement funding.

(c) For fines collected under this section from administrative citations issued by state patrol troopers, one-third shall be credited to the general fund of the local unit of government or entity that collects the fine and provides a hearing officer and two-thirds must be transferred to the commissioner of finance to be deposited in the state general fund.

Subd. 6. **Commercial driver's licenses; exception.** The holder of a commercial driver's license may not be issued an administrative citation under this section.

Subd. 7. **Driving records.** A violation under this subdivision may not be recorded by the Department of Public Safety on the violator's driving record and does not constitute grounds for revocation or suspension of the violator's driver's license.

Subd. 8. **Administrative penalty reporting.** A county, city, or town that employs peace officers who issue administrative citations and collects administrative fines under this section must include that information and the amount collected as separate categories in any financial report, summary, or audit.

Subd. 9. **Local preemption.** The authority to issue an administrative citation is exclusively limited to those offenses listed in subdivision 1. Notwithstanding any contrary charter provision or ordinance, no statutory or home rule charter city, county, or town may impose administrative penalties to enforce any other provision of this chapter.

Sec. 8. Minnesota Statutes 2008, section 357.021, subdivision 6, is amended to read:

Subd. 6. Surcharges on criminal and traffic offenders. (a) Except as provided in this paragraph, the court shall impose and the court administrator shall collect a \$75 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a \$4 surcharge. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge, and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of finance.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the commissioner of finance.

(f) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

Sec. 9. COMMISSIONER OF PUBLIC SAFETY; CREATE UNIFORM ADMINISTRATIVE CITATION.

No later than October 1, 2009, the commissioner of public safety shall create a uniform administrative citation to be issued under Minnesota Statutes, section 169.999. The commissioner shall consult with representatives from the Sheriff's Association of Minnesota, the Minnesota Chiefs of Police Association, and the Minnesota Police and Peace Officers Association on the form and content of the uniform administrative citation."

Page 3, line 27, delete "This act is" and insert "Sections 2, 3, and 4 are" and delete "expires" and insert "expire"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Nornes moved to amend S. F. No. 492, the first engrossment, as amended, as follows:

Page 3, after line 25, insert:

"Sec. 4. Minnesota Statutes 2008, section 169.79, is amended by adding a subdivision to read:

Subd. 4a. **Front mounting impractical.** If a sports car or other four-wheel vehicle that does not meet the requirements of subdivision 4 is designed so that it is impossible or impractical to mount a license plate on the front of the vehicle, then one plate must be displayed on the rear of the vehicle.

Sec. 5. Minnesota Statutes 2008, section 169.79, subdivision 6, is amended to read:

Subd. 6. **Other motor vehicles.** If the motor vehicle is any kind of motor vehicle other than those provided for in subdivisions 2 to 4a, one plate must be displayed on the front and one on the rear of the vehicle."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

S. F. No. 492, A bill for an act relating to transportation; regulating use and operation of mini trucks on public roadways; amending Minnesota Statutes 2008, sections 169.011, by adding a subdivision; 169.045.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Abeler	Brod	Davids	Downey	Gottwalt	Hilstrom
Anderson, P.	Brown	Davnie	Drazkowski	Greiling	Hilty
Anzelc	Brynaert	Dean	Eastlund	Gunther	Hoppe
Atkins	Bunn	Demmer	Eken	Hamilton	Hornstein
Beard	Carlson	Dettmer	Falk	Hansen	Hortman
Benson	Champion	Dittrich	Faust	Hausman	Hosch
Bigham	Clark	Doepke	Fritz	Haws	Howes
Bly	Cornish	Doty	Gardner	Hayden	Huntley

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

Those who voted in the negative were:

Anderson, B.	Buesgens	Emmer	Hackbarth	Murphy, M.	Sterner
Anderson, S.	Dill	Garofalo	Holberg	Rukavina	Zellers

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

S. F. No. 213, A bill for an act relating to health; providing that WIC coupons may be used to purchase cost-neutral organic food; proposing coding for new law in Minnesota Statutes, chapter 145.

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 123 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Buesgens	Drazkowski	Hackbarth	Scott
Anderson, P.	Dittrich	Emmer	Peppin	

The bill was passed and its title agreed to.

S. F. No. 1504 was reported to the House.

Thissen and Hosch moved to amend S. F. No. 1504, the second engrossment, as follows:

Page 2, after line 19, insert:

"Sec. 2. Minnesota Statutes 2008, section 245.4835, is amended to read:

245.4835 COUNTY MAINTENANCE OF EFFORT.

Subdivision 1. **Required expenditures.** (a) Counties must maintain a level of expenditures for mental health services under sections 245.461 to 245.484 and 245.487 to 245.4889 so that each year's county expenditures are at least equal to that county's average expenditures for those services for calendar years 2004 and 2005. The commissioner will adjust each county's base level for minimum expenditures in each year by the amount of any increase or decrease in that county's state grants or other noncounty revenues for mental health services under sections 245.461 to 245.484 and 245.487 to 245.4889.

(b) In order to simplify administration and improve budgeting predictability, the commissioner shall:

(1) use each county's actual prior year revenues to determine the county's minimum required expenditures for the coming year;

(2) allocate each county's revenues proportionally across applicable expenditures; and

(3) reduce each county's base to allow for major decreases in state or federal block grants or other revenues that can be used for mental health services, but are not dedicated to mental health; in this case, the commissioner shall calculate the mental health share of total county expenditures which were eligible to be funded from that revenue source in the base year and then use that mental health share to allocate the change in those revenues to mental health. This clause applies to changes in revenues that are beyond the county's control and expires December 31, 2011.

(c) In order to simplify administration and improve budgeting predictability, the commissioner may:

(1) use more current information regarding major changes in revenues if the change is known early enough to allow counties time to reduce their budgets; and

(2) reduce a county's base if the county's population is declining and the county's per capita mental health expenditures are higher than the state average.

Subd. 2. **Failure to maintain expenditures.** (a) If a county does not comply with subdivision 1, the commissioner shall require the county to develop a corrective action plan according to a format and timeline established by the commissioner. If the commissioner determines that a county has not developed an acceptable corrective action plan within the required timeline, or that the county is not in compliance with an approved corrective action plan, the protections provided to that county under section 245.485 do not apply.

(b) The commissioner shall consider the following factors to determine whether to approve a county's corrective action plan:

(1) the degree to which a county is maximizing revenues for mental health services from noncounty sources;

(2) the degree to which a county is expanding use of alternative services which meet mental health needs but do not count as mental health services within existing reporting systems. If approved by the commissioner, the alternative services must be included in the county's base as well as subsequent years. The commissioner's approval for alternative services must be based on the following criteria:

(i) the services must be provided to children with emotional disturbance or adults with mental illness;

(ii) the services must be based on an individual treatment plan or individual family community support plan, as defined in section 245.4871;

(iii) the services must be supervised by a mental health professional and provided by staff who meet the staff qualifications defined in sections 256B.0943, subdivision 7, and 256B.0622, subdivision 5; and

(iv) additional county expenditures to make up for the prior year's underspending may be spread out over a two-year period."

The motion prevailed and the amendment was adopted.

S. F. No. 1504, A bill for an act relating to human services; amending mental health provisions; changing medical assistance reimbursement and eligibility; changing provider qualification and training requirements; amending mental health behavioral aide services; adding an excluded service; changing special contracts with bordering states; amending Minnesota Statutes 2008, sections 148C.11, subdivision 1; 245.4835, subdivisions 1, 2; 245.4885, subdivision 1; 245.50, subdivision 5; 256B.0615, subdivisions 1, 3; 256B.0622, subdivision 8, by adding a subdivision; 256B.0623, subdivision 5; 256B.0624, subdivision 8; 256B.0625, subdivision 49; 256B.0943, subdivisions 1, 2, 4, 5, 6, 7, 9; 256B.0944, subdivision 5.

The bill was read for the third time, as amended, and placed upon its final passage.

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

Those who voted in the affirmative were:

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

Mahoney	Murphy, E.	Pelowski	Sailer	Slawik	Torkelson
Mariani	Murphy, M.	Peppin	Sanders	Slocum	Urdahl
Marquart	Nelson	Persell	Scalze	Smith	Wagenius
Masin	Newton	Peterson	Scott	Solberg	Ward
McFarlane	Nornes	Poppe	Seifert	Sterner	Welti
McNamara	Norton	Reinert	Sertich	Swails	Westrom
Morgan	Obermueller	Rosenthal	Severson	Thao	Winkler
Morrow	Olin	Rukavina	Shimanski	Thissen	Zellers
Mullery	Otremba	Ruud	Simon	Tillberry	Spk. Kelliher

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

H. F. No. 266, A bill for an act relating to human services; modifying parental fees for services for persons with developmental disabilities; amending Minnesota Statutes 2008, section 252.27, subdivision 2a.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Drazkowski	Hackbarth	Peppin
Buesgens	Emmer	Holberg	

The bill was passed and its title agreed to.

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

S. F. No. 1284 was reported to the House.

Atkins moved to amend S. F. No. 1284, the third engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1511, the second engrossment:

"Section 1. Minnesota Statutes 2008, section 297E.06, subdivision 4, is amended to read:

Subd. 4. **Annual audit, certified inventory, and cash count.** (a) An organization licensed under chapter 349 with gross receipts from lawful gambling of more than ~~\$300,000~~ \$500,000 in any year must have an annual financial audit of its lawful gambling activities and funds for that year. ~~An organization licensed under chapter 349 with gross receipts from lawful gambling of more than \$150,000 but not more than \$300,000 in any year must have an annual financial review of its lawful gambling activities and funds for that year.~~

(b) The commissioner may require a financial audit of the lawful gambling activities and funds of an organization licensed under chapter 349, with gross receipts less than \$500,000 annually, when an organization has:

(1) failed to timely file required gambling tax returns;

(2) failed to timely pay the gambling tax or regulatory fee;

(3) filed fraudulent gambling tax returns;

(4) failed to take corrective actions required by the commissioner; or

(5) failed to otherwise comply with chapter 297E.

(c) Audits and financial reviews under this subdivision must be performed by an independent accountant licensed by the state of Minnesota.

(d) An organization licensed under chapter 349 must perform an annual certified inventory and cash count at the end of its fiscal year and submit the report to the commissioner within 30 days after the end of its fiscal year. The report shall be on a form prescribed by the commissioner.

~~(b)~~ (e) The commissioner of revenue shall prescribe standards for the audits and financial review, certified inventory, and cash count reports required under this subdivision. The standards may vary based on the gross receipts of the organization. The standards must incorporate and be consistent with standards prescribed by the American Institute of Certified Public Accountants. A complete, true, and correct copy of the audit audits, certified inventory, and cash count report must be filed as prescribed by the commissioner.

Sec. 2. Minnesota Statutes 2008, section 349.11, is amended to read:

349.11 PURPOSE.

The purpose of sections 349.11 to 349.22 is to regulate lawful gambling ~~to prevent its commercialization~~, to insure integrity of operations, and to provide for the use of net profits only for lawful purposes.

Sec. 3. Minnesota Statutes 2008, section 349.12, subdivision 3a, is amended to read:

Subd. 3a. **Allowable expense.** "Allowable expense" means the percentage of the total cost incurred by the organization in the purchase of any good, service, or other item which corresponds to the proportion of the total actual use of the good, service, or other item that is directly related to conduct of lawful gambling. ~~Allowable expense includes the advertising of the conduct of lawful gambling, provided that the amount expended does not exceed five percent of the annual gross profits of the organization or \$5,000 per year per organization, whichever is less. The board may adopt rules to regulate the content of the advertising to ensure that the content is consistent with the public welfare.~~

Sec. 4. Minnesota Statutes 2008, section 349.12, subdivision 7, is amended to read:

Subd. 7. **Capital assets.** "Capital assets" means property, real or personal, except gambling equipment, with an expected useful life of at least ~~one year~~ two years and a minimum value of \$2,000.

Sec. 5. Minnesota Statutes 2008, section 349.12, subdivision 7a, is amended to read:

Subd. 7a. **Charitable contribution.** "Charitable contribution" means one or more of the lawful purposes expenditures under ~~section 349.12, subdivision 25, paragraph (a), clauses (1) to (7), (10), (11), (13) to (15), and (19).~~

Sec. 6. Minnesota Statutes 2008, section 349.12, subdivision 12a, is amended to read:

Subd. 12a. **Electronic bingo device.** "Electronic bingo device" means an electronic device used by a bingo player to monitor bingo paper sheets or a facsimile of a bingo paper sheet when purchased at the time and place of an organization's bingo occasion and which (1) provides a means for bingo players to ~~input~~ activate numbers announced by a bingo caller; (2) compares the numbers entered by the player to the bingo faces previously stored in the memory of the device; and (3) identifies a winning bingo pattern.

Electronic bingo device does not mean any device into which coin, currency, or tokens are inserted to activate play.

Sec. 7. Minnesota Statutes 2008, section 349.12, subdivision 18, is amended to read:

Subd. 18. **Gambling equipment.** "Gambling equipment" means: bingo hard cards or paper sheets, linked bingo paper sheets, devices for selecting bingo numbers, electronic bingo devices, pull-tabs, jar tickets, paddle wheels, paddle wheel tables, paddle tickets, paddle ticket cards, tipboards, tipboard tickets, promotional tickets that mimic a pull-tab or tipboard, ~~and pull-tab dispensing devices,~~ and programmable electronic devices that have no effect on the outcome of a game and are used to provide a visual or auditory enhancement of a game.

Sec. 8. Minnesota Statutes 2008, section 349.12, subdivision 19, is amended to read:

Subd. 19. **Gambling manager.** "Gambling manager" means a person who has been designated by the organization to supervise the lawful gambling conducted by it ~~and who:~~

~~(1) has been an active member of the organization for at least two years~~ the most recent six months at the time of the organization's initial application for a gambling manager license; ~~and~~

~~(2) has been an active member of the organization for at least the most recent six months prior to the effective date of the organization's renewal license; or~~

~~(3) meets other qualifications as prescribed by the board by rule.~~

Sec. 9. Minnesota Statutes 2008, section 349.12, subdivision 21, is amended to read:

Subd. 21. **Gross receipts.** "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo hard cards, paper sheets, facsimiles of bingo paper sheets when used in conjunction with an electronic bingo device, and rental of electronic bingo devices before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddle tickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include rental proceeds from rental under section 349.18, subdivision 3 premises owned by an organization and leased to one or more other organizations for the purposes of conducting lawful gambling.

Sec. 10. Minnesota Statutes 2008, section 349.12, subdivision 25, is amended to read:

Subd. 25. **Lawful purpose.** (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) or festival organization, as defined in subdivision 15a, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154, which standards must apply to both types of organizations in the same manner and to the same extent;

(2) a contribution to or expenditure for goods and services for an individual or family suffering from poverty, homelessness, or disability, which is used to relieve the effects of that suffering;

(3) a contribution to a program recognized by the Minnesota Department of Human Services for the education, prevention, or treatment of problem gambling;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to an individual, public or private nonprofit educational institution registered with or accredited by this state or any other state, or to a scholarship fund of a nonprofit organization whose primary mission is to award scholarships, for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per diem reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

- (i) members of a military marching or color guard unit for activities conducted within the state;
 - (ii) members of an organization solely for services performed by the members at funeral services;
 - (iii) members of military marching, color guard, or honor guard units may be reimbursed for participating in color guard, honor guard, or marching unit events within the state or states contiguous to Minnesota at a per participant rate of up to \$35 per diem; or
 - (iv) active military personnel and their immediate family members in need of support services;
- (7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender and the organization complies with section 349.154, subdivision 3a;
- (8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, the taxes imposed by section 297E.02, subdivisions 1, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;
- (9) payment of real estate taxes and assessments on permitted gambling premises owned by the licensed organization paying the taxes, or wholly leased by a licensed veterans organization under a national charter recognized under section 501(c)(19) of the Internal Revenue Code;
- (10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;
- (11) a contribution to or expenditure by a nonprofit organization which is a church or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances;
- ~~(12) payment of the reasonable costs of an audit required in section 297E.06, subdivision 4, provided the annual audit is filed in a timely manner with the Department of Revenue and paid prior to June 30, 2006;~~
- (12) an expenditure for citizen monitoring of surface water quality by individuals or nongovernmental organizations that is consistent with section 115.06, subdivision 4, and Minnesota Pollution Control Agency guidance on monitoring procedures, quality assurance protocols, and data management, provided that the resulting data is submitted to the Minnesota Pollution Control Agency for review and inclusion in the state water quality database;
- (13) a contribution to or expenditure on projects or activities approved by the commissioner of natural resources for:
- (i) wildlife management projects that benefit the public at large;
 - (ii) grant-in-aid trail maintenance and grooming established under sections 84.83 and 84.927, and other trails open to public use, including purchase or lease of equipment for this purpose; and
 - (iii) supplies and materials for safety training and educational programs coordinated by the Department of Natural Resources, including the Enforcement Division;
- (14) conducting nutritional programs, food shelves, and congregate dining programs primarily for persons who are age 62 or older or disabled;
- (15) a contribution to a community arts organization, or an expenditure to sponsor arts programs in the community, including but not limited to visual, literary, performing, or musical arts;

(16) an expenditure by a licensed fraternal organization or a licensed veterans organization for payment of water, fuel for heating, electricity, and sewer costs for a building wholly owned or wholly leased by and used as the primary headquarters of the licensed veterans organization or fraternal organization;

(17) expenditure by a licensed veterans organization of up to \$5,000 in a calendar year in net costs to the organization for meals and other membership events, limited to members and spouses, held in recognition of military service. No more than \$5,000 can be expended in total per calendar year under this clause by all licensed veterans organizations sharing the same veterans post home;

(18) payment of fees authorized under this chapter imposed by the state of Minnesota to conduct lawful gambling in Minnesota; ~~or~~

(19) a contribution or expenditure to honor an individual's humanitarian service as demonstrated through philanthropy or volunteerism to the United States, this state, or local community;

(20) a contribution by a licensed organization to another licensed organization with prior board approval, with the contribution designated to be used for one or more of the following lawful purposes under this section: clauses (1) to (7), (11) to (15), (19), and (25);

(21) an expenditure that is a contribution to a parent organization, if the parent organization: (i) has not provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value, and (ii) has received prior board approval for the contribution that will be used for a program that meets one or more of the lawful purposes under subdivision 7a;

(22) an expenditure for the repair, maintenance, or improvement of real property and capital assets owned by an organization, or for the replacement of a capital asset that can no longer be repaired, with a fiscal year limit of five percent of gross profits from the previous fiscal year, with no carryforward of unused allowances. The fiscal year is July 1 through June 30. Total expenditures for the fiscal year may not exceed the limit unless the board has specifically approved the expenditures that exceed the limit due to extenuating circumstances beyond the organization's control. An expansion of a building or bar-related expenditures are not allowed under this provision.

(i) The expenditure must be related to the portion of the real property or capital asset that must be made available for use free of any charge to other nonprofit organizations, community groups, service groups, or is used for the organization's primary mission or headquarters.

(ii) An expenditure may be made to bring an existing building that the organization owns into compliance with the Americans with Disabilities Act.

(iii) An organization may apply the amount that is allowed under item (ii) to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act if the board has specifically approved the amount. The cost of the erection or acquisition of a replacement building may not be made from gambling proceeds, except for the portion allowed under this item;

(23) an expenditure for the acquisition or improvement of a capital asset with a cost greater than \$2,000, excluding real property, that will be used exclusively for lawful purposes under this section if the board has specifically approved the amount;

(24) an expenditure for the acquisition, erection, improvement, or expansion of real property, if the board has first specifically authorized the expenditure after finding that the real property will be used exclusively for lawful purpose under this section; or

(25) an expenditure, including a mortgage payment or other debt service payment, for the erection or acquisition of a comparable building to replace an organization-owned building that was destroyed or made uninhabitable by fire or catastrophe or to replace an organization-owned building that was taken or sold under an eminent domain proceeding. The expenditure may be only for that part of the replacement cost not reimbursed by insurance for the fire or catastrophe or compensation not received from a governmental unit under the eminent domain proceeding, if the board has first specifically authorized the expenditure.

(b) Expenditures authorized by the board under clauses (24) and (25) must be 51 percent completed within two years of the date of board approval; otherwise the organization must reapply to the board for approval of the project. "Fifty-one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor.

~~(b)~~ (c) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

~~(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or catastrophe, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced; or (v) with respect to an expenditure to bring an existing building into compliance with the Americans with Disabilities Act under item (ii), an organization has the option to apply the amount of the board approved expenditure to the erection or acquisition of a replacement building that is in compliance with the Americans with Disabilities Act;~~

~~(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;~~

~~(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or~~

~~(6)~~ (3) a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund; or

(4) a contribution to a 501(c)(3) organization or other entity with the intent or effect of not complying with lawful purpose restrictions or requirements.

Sec. 11. Minnesota Statutes 2008, section 349.12, subdivision 32a, is amended to read:

Subd. 32a. **Pull-tab dispensing device.** "Pull-tab dispensing device" means a mechanical device that dispenses paper pull-tabs and has no additional function as an amusement or gambling device. A pull-tab dispensing device may have as a component an auditory or visual enhancement to promote or provide information about a game being dispensed, provided the component does not affect the outcome of a game or display the results of a game or an individual ticket.

Sec. 12. Minnesota Statutes 2008, section 349.12, subdivision 33, is amended to read:

Subd. 33. **Raffle.** "Raffle" means a game in which a participant buys a ticket or other certificate of participation in an event where the prize determination is based on a method of random selection and all entries have an equal chance of selection. ~~The ticket or certificate of participation must include the location, date, and time of the selection of the winning entries.~~

Sec. 13. Minnesota Statutes 2008, section 349.15, subdivision 1, is amended to read:

Subdivision 1. **Expenditure restrictions, requirements, and civil penalties.** (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

(b) Provided that no more than 70 percent of the gross profit from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling, except that for the period of July 1, 2008, to June 30, 2009, no more than 75 percent of the gross profit from bingo, and no more than 65 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling. For licenses issued after June 30, 2006, compliance with this subdivision will be measured on a biennial basis that is concurrent with the term of the license. Compliance with this subdivision is a condition for the renewal of any license beginning on July 1, 2008. For licenses renewed with an effective date between July 1, 2006, and June 30, 2008, an organization shall carry forward an amount equal to 15 percent of any positive allowable expense carryover amount. This balance must be used to offset any future negative expense balance at the time of license renewal. This provision expires June 30, 2009.

(c) For each 12-month period beginning July 1, 2009, a licensed organization will be evaluated by the board to determine a rating based on the percentage of annual lawful purpose expenditures when compared to available gross profits for the same period. The rating will be used to determine the organization's profitability percent and is not a rating of the organization's lawful gambling operation. An organization will be evaluated according to the following criteria:

(1) an organization that expends 50 percent or more of gross profits on lawful purposes will receive a five-star rating;

(2) an organization that expends 40 percent or more but less than 50 percent of gross profits on lawful purposes will receive a four-star rating;

(3) an organization that expends 30 percent or more but less than 40 percent of gross profits on lawful purposes will receive a three-star rating;

(4) an organization that expends 20 percent or more but less than 30 percent of gross profits on lawful purposes will receive a two-star rating; and

(5) an organization the expends less than 20 percent of gross profits on lawful purposes will receive a one-star rating.

(d) An organization that fails to expend a minimum of 30 percent annually of gross profits on lawful purposes is automatically on probation effective July 1 for a period of one year. The organization must increase their rating to a minimum of 30 percent or be subject to sanctions by the board. If an organization fails to meet the minimum after a one-year probation the board may suspend the organization's license or impose a civil penalty as follows:

(1) in determining any suspension or penalty for a violation of this paragraph, the board must consider any unique factors or extraordinary circumstances that caused the organization to not meet the minimum rate of profitability. Unique factors or extraordinary circumstances include, but are not limited to, the purchase of capital assets necessary to conduct lawful gambling; road or other construction causing impaired access to the lawful gambling premises; and flood, tornado, or other catastrophe that had a direct impact on the continuing lawful gambling operation; and

(2) notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the board may impose a civil penalty under this subdivision up to \$10,000.

Sec. 14. Minnesota Statutes 2008, section 349.15, subdivision 1a, is amended to read:

Subd. 1a. **Disaster relief.** An organization may expend net profits from lawful gambling to relieve the effects of a disaster as defined in section 12.03, subdivision 2, without the prior approval of its membership if:

(1) the contribution is a lawful purpose under section 349.12, subdivision 25, paragraph (a);

(2) the contribution is authorized by the organization's chief executive officer and gambling manager; and

(3) the contribution is approved by the membership of the organization at its next regularly scheduled monthly meeting.

If the contribution is not approved by the membership of the organization at its next regularly scheduled monthly meeting, the organization shall reimburse its gambling account in the amount of the contribution.

Sec. 15. Minnesota Statutes 2008, section 349.151, subdivision 4, is amended to read:

Subd. 4. **Powers and duties.** (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations and gambling managers, and to issue licenses and renewals to distributors, distributor salespersons, manufacturers, and linked bingo game providers, and gambling managers;

(3) to collect and deposit ~~license, permit, and registration~~ fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and linked bingo game providers to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to report annually to the governor and legislature a financial summary for each licensed organization identifying the gross receipts, prizes paid, allowable expenses, lawful purpose expenditures including charitable contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), and the percentage of annual gross profit used for lawful purposes;

(10) to impose civil penalties of not more than ~~\$500~~ \$1,000 per violation on organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers for ~~failure~~ violating or failing to comply with any provision of this chapter, chapter 297E, or any rule or order of the board;

(11) to issue premises permits to organizations licensed to conduct lawful gambling;

(12) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;

(13) to delegate to the director the authority to approve or deny fund loss requests, contribution of gambling funds to another licensed organization, and property expenditure requests under criteria established by the board;

(14) to suspend or revoke licenses and premises permits of organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, or gambling managers as provided in this chapter;

(15) to approve or deny requests from licensees for:

(i) waivers from fee requirements as provided in section 349.16, subdivision 6; and

(ii) variances from Gambling Control Board rules under section 14.055; and

(16) to register employees of organizations licensed to conduct lawful gambling;

(17) to require fingerprints from persons determined by board rule to be subject to fingerprinting;

(18) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;

(19) to order organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers to take corrective actions; and

(20) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, distributor salesperson, manufacturer, linked bingo game provider, or gambling manager a civil penalty of not more than ~~\$500~~ \$1,000 per violation for a failure to comply with any provision of this chapter, chapter 297E, or any rule adopted or order issued by the board. Any organization, distributor, distributor salesperson, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All penalties received by the board must be deposited in the general fund.

(d) All fees imposed by the board under sections 349.16 to 349.167 must be deposited in the state treasury and credited to a lawful gambling regulation account in the special revenue fund. Receipts in this account are available for the operations of the board up to the amount authorized in biennial appropriations from the legislature.

Sec. 16. Minnesota Statutes 2008, section 349.154, subdivision 1, is amended to read:

Subdivision 1. **Standards for certain organizations.** The board shall by rule prescribe standards that must be met annually by any licensed organization that is a 501(c)(3) or festival organization. The standards must provide:

(1) operating standards for the organization, including a maximum percentage or percentages of the organization's total expenditures that may be expended for the organization's administration and operation; and

(2) standards for any expenditure by the organization of net profits from lawful gambling, including a requirement that the expenditure be related to the primary purpose of the organization.

Sec. 17. Minnesota Statutes 2008, section 349.155, subdivision 3, is amended to read:

Subd. 3. **Mandatory disqualifications.** (a) In the case of licenses for manufacturers, distributors, distributor salespersons, linked bingo game providers, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, or person in a supervisory or management position of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes \$500 or more in delinquent taxes as defined in section 270C.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

(6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph are applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue ~~or renew~~ a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor involving theft or fraud;

(2) has ever been convicted of a crime involving gambling; or

(3) has had a license issued by the board or director permanently revoked for violation of law or board rule.

Sec. 18. Minnesota Statutes 2008, section 349.155, subdivision 4a, is amended to read:

Subd. 4a. **Illegal gambling.** (a) The board may not deny, suspend, or revoke, ~~or refuse to renew~~ an organization's premises permit because illegal gambling occurred at the site for which the premises permit was issued, unless the board determines that: (1) the organization knowingly participated in the illegal gambling; or

(2) the organization or any of its agents knew of the illegal gambling and the organization did not notify the lessor of the premises, in writing and with specificity, that illegal gambling was being conducted on the premises and requesting that the lessor take appropriate action. For purposes of this paragraph, "agent" means any person, compensated or otherwise, who participates in the conduct of the organization's lawful gambling.

(b) The board may not deny, suspend, or revoke, ~~or refuse to renew~~ an organization's license because illegal gambling occurred at a site for which a premises permit was issued to the organization unless the board determines that the organization's chief executive officer, gambling manager, or one or more of its assistant gambling managers participated in or authorized the illegal gambling.

Sec. 19. Minnesota Statutes 2008, section 349.16, subdivision 2, is amended to read:

Subd. 2. **Issuance of gambling licenses.** (a) Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications in paragraphs (b) to ~~(h)~~ (e) if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22.

(b) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(c) The organization at the time of licensing must have at least 15 active members at the time of its initial license application, and thereafter the organization must have at least 13 members eligible to vote on gambling matters.

(d) The organization must not be in existence solely for the purpose of conducting gambling.

~~(e) The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling and has identified an annual goal for charitable contributions, expressed as a percentage of gross profits.~~

~~(f)~~ (e) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this chapter.

~~(g) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing primarily for the purpose of evading or reducing the tax imposed by section 297E.02, subdivision 6.~~

~~(h) The organization has not exceeded the expenditure restrictions imposed under section 349.15, subdivision 1, or if the organization has exceeded the expenditure restrictions under section 349.15, subdivision 1, the organization has reimbursed any excess expenses from a source of nongambling funds. Reimbursement of excess expenses is a condition for license renewal. The board may by rule impose sanctions or penalties on organizations that exceed the expenditure restrictions under section 349.15, subdivision 1.~~

Sec. 20. Minnesota Statutes 2008, section 349.16, subdivision 3, is amended to read:

Subd. 3. **Term of license.** Licenses issued under this section are perpetual and valid for two years unless the board revokes or suspends the license, the organization terminates the license, or the license lapses.

Sec. 21. Minnesota Statutes 2008, section 349.16, is amended by adding a subdivision to read:

Subd. 3a. **Lapsed licenses.** (a) An organization license is considered to be lapsed if the organization:

(1) did not conduct and report any gambling sales activity within seven months from the date of the last gambling activity;

(2) failed to have a gambling manager as required by section 349.167;

(3) failed to pay annual license and permit fees; or

(4) surrenders, withdraws, or otherwise terminates the license and files a termination plan required under section 349.19.

(b) If the organization license is determined to be lapsed, the board may:

(1) institute a proceeding under section 349.155;

(2) require the organization to file a termination plan required under section 349.19;

(3) enter a revocation order as of the date on which the license was considered lapsed;

(4) impose a civil penalty as provided under section 349.151, subdivision 4;

(5) order corrective action as provided under section 349.151, subdivision 7; or

(6) summarily suspend the license as provided under section 349.1641.

Sec. 22. Minnesota Statutes 2008, section 349.16, subdivision 6, is amended to read:

Subd. 6. **License fees.** The board shall impose an annual fee of \$350 for an organization's license ~~application~~. Organizations that expect to receive less than \$100,000 in gross annual receipts may request from the board a waiver of organization license fees.

Sec. 23. Minnesota Statutes 2008, section 349.16, is amended by adding a subdivision to read:

Subd. 6a. **Monthly regulatory fee.** An organization must pay a monthly regulatory fee of 0.1 percent of the organization's gross receipts from lawful gambling conducted each month. The fee must be reported and paid on a monthly basis in a format as determined by the commissioner of revenue, and remitted to the commissioner of revenue with the organization's monthly tax return. All monthly regulatory fees received by the commissioner of revenue under this subdivision must be deposited in the lawful gambling regulation account in the special revenue fund according to section 349.151. Failure to pay the monthly regulatory fees in a timely manner may result in disciplinary action by the board.

Sec. 24. Minnesota Statutes 2008, section 349.16, subdivision 8, is amended to read:

Subd. 8. **Local investigation fee.** A statutory or home rule charter city or county ~~notified under section 349.213, subdivision 2,~~ may assess an annual investigation fee on organizations applying for ~~or renewing a an initial~~ premises permit or conducting lawful gambling at a site within their jurisdiction under section 349.213, subdivision 2. An investigation fee may not exceed the following limits:

(1) for cities of the first class, \$500;

(2) for cities of the second class, \$250;

(3) for all other cities, \$100; and

(4) for counties, \$375.

Sec. 25. Minnesota Statutes 2008, section 349.16, subdivision 11, is amended to read:

Subd. 11. **Agreement to pay taxes.** An organization which is recognized by federal law, regulation, or other ruling as a quasi-governmental organization that would otherwise be exempt from one or more taxes under chapter 297E must agree to pay all taxes under chapter 297E on lawful gambling conducted by the organization as a condition of receiving ~~or renewing~~ a license or premises permit.

Sec. 26. Minnesota Statutes 2008, section 349.16, is amended by adding a subdivision to read:

Subd. 12. **Organization license information.** The organization must notify the board within ten days when changes in the application information occur.

Sec. 27. Minnesota Statutes 2008, section 349.162, subdivision 6, is amended to read:

Subd. 6. **Removal of equipment from inventory.** Authorized employees of the board, the Division of Alcohol and Gambling Enforcement of the Department of Public Safety, and the commissioner of revenue may remove gambling equipment from the inventories of distributors and organizations and test that equipment to determine its compliance with all applicable laws and rules. A distributor or organization may return to the manufacturer thereof any gambling equipment which is determined to be in violation of law or rule. The cost to an organization of gambling equipment removed from inventory under this paragraph and found to be in compliance with all applicable law and rules is an allowable expense under section ~~349.15~~ 349.12, subdivision 3a.

Sec. 28. Minnesota Statutes 2008, section 349.1635, subdivision 3, is amended to read:

Subd. 3. **Attachments to application.** An applicant for a linked bingo game provider license must attach to its application:

(1) evidence of a bond in the principal amount of \$100,000 payable to the state of Minnesota conditioned on the payment of all linked bingo prizes and any other money due and payable under this chapter;

(2) detailed plans and specifications for the operation of the linked bingo game and the linked bingo system, along with a proposed fee schedule for the cost of providing services and equipment to licensed organizations; and

(3) any other information required by the board by rule.

Sec. 29. Minnesota Statutes 2008, section 349.1641, is amended to read:

349.1641 LICENSES; SUMMARY SUSPENSION.

(a) The board may (1) summarily suspend the license of an organization that is more than ~~three months~~ 45 days late in filing a tax return or in paying a tax required under chapter 297E and may keep the suspension in effect until all required returns are filed and required taxes are paid; (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota; ~~and~~ (3) summarily suspend the license of a gambling manager who has failed to receive the training required under section 349.167, subdivision 4, clause (2), and may keep the suspension in effect until the gambling manager passes an examination prepared and administered by the board. The examination does not qualify as continuing education credit for the next calendar year; and (4) summarily suspend the license of an organization that fails to pay the fees required under section 349.16, 349.165, or 349.167, and may keep the suspension in effect until all required fees are paid.

(b) The board must notify the licensee at least 14 days before suspending the license under this section. If a license is summarily suspended under this section, a contested case hearing on the merits must be held within 20 days of the issuance of the order of suspension, unless the parties agree to a later hearing date. The administrative

law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. When an organization's license is suspended under this section, the board shall within three days notify all municipalities in which the organization's gambling premises are located and all licensed distributors in the state.

Sec. 30. Minnesota Statutes 2008, section 349.165, subdivision 1, is amended to read:

Subdivision 1. **Premises permit required; application.** A licensed organization may not conduct lawful gambling at any site unless it has first obtained from the board a premises permit for the site. The board shall prescribe a form for permit applications, and each application for a permit must be submitted on a separate form. The premises permit issued by the board runs concurrently on a perpetual basis with the license of the organization unless the premises permit is suspended, or revoked by the board, or voluntarily terminated by the organization. The board may by rule limit the number of premises permits that may be issued to an organization.

Sec. 31. Minnesota Statutes 2008, section 349.165, subdivision 2, is amended to read:

Subd. 2. **Contents of application.** An application for a premises permit must contain:

(1) the name and address of the applying organization;

(2) a description of the site for which the permit is sought, including its address and, where applicable, its placement within another premises or establishment;

(3) if the site is leased, the name and address of the lessor and information about the lease the board requires, including all rents and other charges for the use of the site. The lease term is concurrent with the term of the premises permit. The lease must contain a 30-day termination clause. No lease is required for the conduct of a raffle; and

(4) other information the board deems necessary to carry out its purposes.

An organization holding a premises permit must notify the board in writing within ten days whenever any material change is made in the above information.

Sec. 32. Minnesota Statutes 2008, section 349.165, subdivision 3, is amended to read:

Subd. 3. **Fees.** ~~(a)~~ The board may issue premises permits to organizations licensed under section 349.16, subdivision 6. The annual fee for each premises permit is \$150.

~~(b) In addition to the annual fee for a premises permit, an organization must pay a monthly regulatory fee of 0.1 percent of the organization's gross receipts from lawful gambling conducted at that site. The fee must be reported and paid on a monthly basis in a format as determined by the commissioner of revenue, and remitted to the commissioner of revenue along with the organization's monthly tax return for that premises. All premises permit fees received by the commissioner of revenue under this subdivision must be deposited in the lawful gambling regulation account in the special revenue fund according to section 349.151. Failure to pay the monthly premises permit fees in a timely manner may result in disciplinary action by the board.~~

Sec. 33. Minnesota Statutes 2008, section 349.165, is amended by adding a subdivision to read:

Subd. 5. **Off-site permits.** (a) A licensed organization may conduct lawful gambling on a premises other than the organization's permitted premises if it has first submitted to the board an application and lease on forms provided by the board, obtained authorization required under section 349.213, and received a permit from the board for up to four events in a calendar year in connection with a county fair, the state fair, a church festival, or a civic celebration, not to exceed three days per event.

(b) No lease is required for the conduct of a raffle.

(c) No fee may be assessed for an off-site permit by the board or by local authority under section 349.213.

Sec. 34. Minnesota Statutes 2008, section 349.166, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** (a) Lawful gambling, with the exception of linked bingo games, may be conducted by an organization without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, ~~subdivisions subdivision 4 and 5~~; 349.18, subdivision 1; and 349.19 if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than \$50,000 in prizes for lawful gambling in a calendar year;

(3) ~~the organization submits a board-prescribed application and pays a fee of \$50 to the board, notifies the board in writing not less than 30 days before for each lawful gambling occasion of, and receives an exempt permit number from the board. If the application is postmarked or received less than 30 days before the gambling occasion the fee is \$100 for that application. The application must include the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, and the prizes to be awarded, and receives an exemption identification number;~~

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause ~~(3)~~ or (6), the board shall not issue any authorization, license, or permit to the organization to conduct lawful gambling on an exempt, excluded, or licensed basis until the report has been filed and the organization may be subject to penalty as determined by the board. The board may refuse to issue any authorization, license, or permit if a report or application is determined to be incomplete or knowingly contains false or inaccurate information.

(c) Merchandise prizes must be valued at their fair market value.

(d) Organizations that qualify to conduct exempt raffles under paragraph (a), are exempt from section 349.173, paragraph (b), clause (2), if the raffle tickets are sold only in combination with an organization's membership or a ticket for an organization's membership dinner and are not included with any other raffle conducted under the exempt permit.

(e) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

~~(f) An organization that is exempt from taxation on purchases of pull tabs and tipboards under section 297E.02, subdivision 4, paragraph (b), clause (4), must return to the distributor any tipboard or pull tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.~~

~~(g)~~ (f) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

Sec. 35. Minnesota Statutes 2008, section 349.167, subdivision 2, is amended to read:

Subd. 2. **Gambling managers; licenses.** (a) A person may not serve as a gambling manager for an organization unless the person possesses a valid gambling manager's license issued by the board or otherwise meets the temporary requirements allowed under paragraph (d). In addition to the disqualifications in section 349.155, subdivision 3, the board may not issue a gambling manager's license to a person applying for the license who:

(1) has not complied with subdivision 4, clauses (1) and (2);

(2) within the five years before the date of the license application, has committed a violation of law or board rule that resulted in the revocation of a license issued by the board;

(3) has ever been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling; or

(4) has engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

(b) A gambling manager's license runs concurrent with the organization's license unless the gambling manager's license is suspended or revoked by the board or otherwise terminated by the organization or gambling manager.

(c) The annual fee for a gambling manager's license is \$100.

(d) At the time of the death, disability, or termination of a gambling manager, the organization must:

(1) contact the board within one business day to establish a plan to replace the gambling manager; and

(2) submit a complete application and fee within four business days.

(e) An organization that fails to meet the requirements of paragraph (d) must discontinue its gambling operation until a gambling manager application and fee is received by the board and a license has been issued by the board and received by the gambling manager.

Sec. 36. Minnesota Statutes 2008, section 349.168, subdivision 8, is amended to read:

Subd. 8. ~~Percentage of gross profit~~ **Compensation paid.** (a) A licensed organization may pay a percentage of the gross profit from raffle ticket sales to a nonprofit organization that sells raffle tickets for the licensed organization.

(b) A licensed organization may compensate an employee of the organization for the sale of gambling equipment at a bar operation if the frequency of the activity is one day or less per week and the games are limited to 32 chances or less per game. For purposes of this paragraph, an employee must not be a lessor, employee of the lessor, or an immediate family member of the lessor.

(c) An organization that leases a premises may not pay compensation to the lessor, a member of the lessor's immediate family, or the lessor's employees, other than as a seller of pull-tabs and tipboards within a booth operation on the premises. A member of the lessor's immediate family may be compensated by an organization for the conduct of gambling at other sites not owned by the lessor.

Sec. 37. Minnesota Statutes 2008, section 349.169, subdivision 1, is amended to read:

Subdivision 1. **Filing required.** When required by the board, manufacturers ~~and~~ distributors, and linked bingo game providers must file with the director the prices at which the manufacturer ~~or~~ distributor, or linked bingo game provider will sell all gambling equipment currently offered for sale by that manufacturer ~~or~~ distributor, or linked bingo game provider. The filing must be in a format the director prescribes.

Sec. 38. Minnesota Statutes 2008, section 349.169, subdivision 3, is amended to read:

Subd. 3. **Sales at filed prices.** When required to report under subdivision 1, no manufacturer may sell to a distributor or linked bingo game provider, and no distributor or linked bingo game provider may sell to an organization, any gambling equipment for any price other than a price the manufacturer ~~or~~ distributor, or linked bingo game provider has filed with the director under subdivision 1, including volume discounts, and exclusive of transportation costs.

Sec. 39. Minnesota Statutes 2008, section 349.17, subdivision 3, is amended to read:

Subd. 3. **Winners.** Each bingo winner must be determined and every prize shall be awarded and delivered the same day on which the bingo occasion is conducted, except that ~~prizes won in payment for a progressive prize or a linked bingo game prize~~ must be delivered within three business days of the day on which the occasion was conducted.

Sec. 40. Minnesota Statutes 2008, section 349.17, subdivision 5, is amended to read:

Subd. 5. **Bingo cards and sheets.** (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using a bingo paper sheet or facsimile of a bingo face that bears an individual number recorded by the distributor or linked bingo game provider; and (2) use each bingo paper sheet for no more than one bingo occasion. In lieu of the requirements of clause (2), a licensed organization may electronically record the sale of each bingo hard card or paper sheet at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) shall only apply to a licensed organization that received gross receipts from bingo in excess of \$150,000 in the organization's last fiscal year.

(c) Each bingo hard card, bingo paper sheet, or a facsimile of a bingo paper sheet must have five horizontal rows of spaces with each row except one having five numbers. The center row must have four numbers and the center space marked "free." Each column must have one of the letters B-I-N-G-O in order at the top. Bingo paper sheets may also have numbers that are not preprinted but are filled in by players.

Sec. 41. Minnesota Statutes 2008, section 349.17, subdivision 6, is amended to read:

Subd. 6. **Conduct of bingo.** (a) ~~Each bingo hard card and paper sheets must have five horizontal rows of spaces with each row except one having five numbers. The center row must have four numbers and the center space marked "free." Each column must have one of the letters B-I-N-G-O in order at the top. Bingo paper sheets may also have numbers that are not preprinted but are filled in by players.~~

(b) A game of bingo begins with the first letter and number called. Each player must cover ~~or~~ mark, or activate the numbers when bingo numbers are randomly selected, announced, and displayed to the players, either manually or with a flashboard and monitor. The game is won when a player, using bingo paper, bingo hard card, or a facsimile of a bingo paper sheet, has ~~covered or marked~~ completed, as described in the bingo program, a previously designated ~~arrangement of numbers on the card or sheet pattern or previously determined requirements of the game~~ and declared bingo. The game is completed when a winning card ~~or~~ sheet, or facsimile is verified and a prize awarded; ~~except that prizes won in linked bingo games may be awarded pursuant to subdivision 3.~~

Sec. 42. Minnesota Statutes 2008, section 349.17, subdivision 7, is amended to read:

Subd. 7. **Bar bingo.** An organization may conduct bar bingo subject to the following restrictions:

(1) the bingo is conducted at a site the organization owns or leases and which has a license for the sale of intoxicating beverages on the premises under chapter 340A;

(2) the bingo is conducted using only bingo paper sheets or facsimiles of bingo paper sheets purchased from a licensed distributor or licensed linked bingo game provider; and

(3) no rent may be paid for a bar bingo occasion; ~~and~~

~~(4) the lessor's immediate family and employees may participate if they are not involved with the sale or operation of bar bingo.~~

Sec. 43. Minnesota Statutes 2008, section 349.173, is amended to read:

349.173 CONDUCT OF RAFFLES.

(a) Raffle tickets or certificates of participation at a minimum must list the three most expensive prizes to be awarded and include the location, date, and time of the selection of the winning entries. If additional prizes will be awarded, a complete list of additional prizes must be publicly posted at the event and copies of the complete prize list made available upon request. ~~Notwithstanding section 349.12, subdivision 33,~~ Raffles conducted under the exemptions in section 349.166 may use tickets that contain only the sequential number of the raffle ticket and no other information if the organization makes a list of prizes and a statement of other relevant information required by rule available to persons purchasing tickets and if tickets are only sold at the event and on the date when the tickets are drawn.

(b) Raffles must be conducted in a manner that ensures:

(1) all entries in the raffle have an equal chance of selection;

(2) entry in the raffle is not conditioned upon any other purchase, except that a certificate of participation may be a button with a nominal value of less than \$5;

(3) the method of selection is conducted in a public forum;

(4) the method of selection cannot be manipulated or based on the outcome of an event not under the control of the organization;

(5) physical presence at the raffle is not a requirement to win; and

(6) all sold and unsold tickets or certificates of participation are accounted for.

(c) Methods of selecting winning entries from a raffle other than prescribed in rule may be used with the prior written approval of the board.

Sec. 44. Minnesota Statutes 2008, section 349.18, subdivision 1, is amended to read:

Subdivision 1. **Lease or ownership required; rent limitations.** (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases must be on a form prescribed by the board. The term of the lease ~~may not begin before the effective date of the premises permit and must expire on the same day that the~~

~~premises permit expires is concurrent with the premises permit.~~ Leases approved by the board must specify that the board may authorize an organization to withhold rent from a lessor for a period of up to 90 days if the board determines that illegal gambling occurred on the premises ~~and or~~ that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. The lease must authorize the continued tenancy of the organization without the payment of rent during the time period determined by the board under this paragraph. Copies of all leases must be made available to employees of the board and the Division of Alcohol and Gambling Enforcement on request. ~~The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.~~

(b) Rent paid by an organization for leased premises for the conduct of pull-tabs, tipboards, and paddle wheels is subject to the following limits:

(1) for booth operations, including booth operations where a pull-tab dispensing device is located, booth operations where a bar operation is also conducted, and booth operations where both a pull-tab dispensing device is located and a bar operation is also conducted, the maximum rent is:

(i) in any month where the organization's gross profit at those premises does not exceed \$4,000, up to \$400; and

(ii) in any month where the organization's gross profit at those premises exceeds \$4,000, up to \$400 plus not more than ten percent of the gross profit for that month in excess of \$4,000;

(2) for bar operations, including bar operations where a pull-tab dispensing device is located but not including bar operations subject to clause (1), and for locations where only a pull-tab dispensing device is located:

(i) in any month where the organization's gross profit at those premises does not exceed \$1,000, up to \$200; and

(ii) in any month where the organization's gross profit at those premises exceeds \$1,000, up to \$200 plus not more than 20 percent of the gross profit for that month in excess of \$1,000;

(3) a lease not governed by clauses (1) and (2) must be approved by the board before becoming effective;

(4) total rent paid to a lessor from all organizations from leases governed by clause (1) may not exceed \$1,750 per month. ~~Total rent paid to a lessor from all organizations from leases governed by clause (2) may not exceed \$2,500 per month.~~

(c) Rent paid by an organization for leased premises for the conduct of bingo is subject to either of the following limits at the option of the parties to the lease:

(1) not more than ten percent of the monthly gross profit from all lawful gambling activities held during bingo occasions excluding bar bingo or at a rate based on a cost per square foot not to exceed 110 percent of a comparable cost per square foot for leased space as approved by the director; and

(2) no rent may be paid for bar bingo.

(d) Amounts paid as rent under leases are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including, but not limited to, trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, other utilities or services, and, in the case of bar operations, cash shortages, unless approved by the director. Any other expenditure made by an organization that is related to a leased premises must be approved by the director. An organization may not provide any compensation or thing of value to a lessor or the lessor's employees from any fund source other than its gambling account. Rent payments may not be made to an individual.

(e) Notwithstanding paragraph (b), an organization may pay a lessor for food or beverages or meeting room rental if the charge made is comparable to similar charges made to other individuals or groups.

(f) No entity other than the licensed organization may conduct any activity within a booth operation on a leased premises.

~~(g) Employees of a lessor not involved in the conduct of lawful gambling on the premises or nongambling employees of an organization conducting lawful gambling on the premises may participate in lawful gambling on the premises provided if pull tabs or tipboards are sold, the organization posts the major prizes awarded.~~

~~(h) A gambling employee may purchase pull tabs or tipboards at the site of the employee's place of employment provided:~~

~~(1) the organization posts the major prizes for pull tab or tipboard games; and~~

~~(2) the employee is not involved in the sale of pull tabs or tipboards at that site.~~

~~(i) At a leased site where an organization uses a paddle wheel consisting of 32 numbers or less or a tipboard consisting of 32 tickets or less, tickets may be sold throughout the permitted premises, but winning tickets must be redeemed, the paddle wheel must be located, and the tipboard seal must be opened within the leased premises.~~

Sec. 45. **[349.181] RESTRICTIONS ON WHO MAY PARTICIPATE IN LAWFUL GAMBLING.**

Subdivision 1. **Minimum age.** (a) A person under age 18 may not participate:

(1) as a player in games of pull-tabs, tipboards, paddlewheel, or raffles;

(2) as a player in a bingo game other than:

(i) a bingo game exempt or excluded from licensing; or

(ii) a bingo game conducted by an organization as part of an annual community event if the person under age 18 is accompanied by a parent or guardian; and

(3) in the conduct of pull-tabs, tipboards, paddlewheels, bingo, or raffles, except that a person under age 18 may sell raffle tickets.

Violation of this paragraph is a misdemeanor.

(b) A licensed organization or employee may not allow a person under age 18 to participate in lawful gambling in violation of paragraph (a). Violation of this paragraph is a misdemeanor.

(c) In a prosecution under paragraph (b), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in section 340A.503, subdivision 6, paragraph (a).

Subd. 2. **Gambling manager.** A gambling manager may not participate directly or indirectly as a player in any lawful gambling conducted by the organization for which the gambling manager is licensed.

Subd. 3. **Organization and lessor employees and volunteers.** (a) For purposes of this section, "volunteer" means a person who is not compensated by an organization but who performs activities in the conduct of lawful gambling for that organization.

(b) For purposes of this section, "conduct of pull-tabs, tipboards, and paddlewheels" includes selling tickets, redeeming tickets, auditing games, making deposits, spinning the paddlewheel, and conducting inventory.

(c) For purposes of this section, "conduct of bingo" includes selling bingo hard cards, bingo paper sheets, or facsimiles of bingo paper sheets, completing bingo occasion records, selecting or announcing bingo numbers, making deposits, and conducting inventory.

(d) An employee or volunteer who is involved in the conduct of pull-tabs, tipboards, or paddlewheels at a permitted premises may not participate directly or indirectly as a player in a pull-tab, tipboard, or paddlewheel game at that same premises. This restriction is in effect until six weeks after the employee or volunteer is no longer involved in the conduct of pull-tab, tipboard, or paddlewheel games at that same premises.

(e) An employee or volunteer who is involved in the conduct of any lawful gambling during a bingo occasion may not participate directly or indirectly as a player in any lawful gambling during that bingo occasion.

Subd. 4. **Lessor.** The lessor of a permitted premises may not participate directly or indirectly as a player in any lawful gambling conducted at that premises.

Subd. 5. **Lessor's immediate family.** The lessor's immediate family may not participate directly or indirectly as a player in a pull-tab, tipboard, or paddlewheel game conducted at that premises.

Sec. 46. Minnesota Statutes 2008, section 349.19, subdivision 2, is amended to read:

Subd. 2. **Accounts.** (a) Gross receipts from lawful gambling by each organization must be segregated from all other revenues of the conducting organization and placed in a separate gambling bank account.

(b) All expenditures for allowable expenses, taxes, and lawful purposes must be made from the separate account except (1) in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule, (2) as provided in subdivision 2a, or (3) when restricted to one electronic fund transaction for the payment of taxes for the organization as a whole, the organization may transfer the amount of taxes related to the conduct of gambling to the general account at the time when due and payable.

(c) The name and address of the bank, the account number for the separate account, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made.

(d) Gambling receipts must be deposited into the gambling bank account within four business days of completion of the bingo occasion, deal, or game from which they are received. A deal of pull-tabs is considered complete when either the last pull-tab of the deal is sold or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct pull-tabs. A tipboard game is considered complete when the seal on the game flare is uncovered or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct tipboards.

(e) Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises.

(f) The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 47. Minnesota Statutes 2008, section 349.19, subdivision 2a, is amended to read:

Subd. 2a. **Tax refund or credit.** (a) Each organization that receives a refund or credit under section 297E.02, subdivision 4, paragraph (d), must within four business days of receiving a refund under that paragraph deposit the refund in the organization's gambling account.

(b) The organization may expend the tax refund or credit issued under section 297E.02, subdivision 4, paragraph (d), only for lawful purposes, other than lawful purposes described in section 349.12, subdivision 25, paragraph (a), clauses (8), and (9), and (12). Amounts subject to this paragraph must be spent for qualifying lawful purposes no later than one year after the refund or credit is received.

Sec. 48. Minnesota Statutes 2008, section 349.19, subdivision 3, is amended to read:

Subd. 3. **Expenditures.** (a) All expenditures of gross profits from lawful gambling must be itemized as to payee, purpose, amount, and date of payment, ~~and must be in compliance with section 349.154.~~

(b) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure or contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name of the recipient of the expenditure or contribution;

(2) the date the expenditure or contribution was approved by the organization;

(3) the date, amount, and check number or electronic transfer confirmation number of the expenditure or contribution;

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25; and

(5) in the case of expenditures authorized under section 349.12, subdivision 25, paragraph (a), clause (7), whether the expenditure is for a facility or activity that primarily benefits male or female participants.

(c) Authorization of the expenditures must be recorded in the monthly meeting minutes of the licensed organization.

(d) Checks or authorizations for electronic fund transfers for expenditures of gross profits must be signed by at least two persons authorized by board rules to sign the checks or authorizations.

(e) Expenditures of gross profits from lawful gambling for local, state, and federal taxes as identified in section 349.12, subdivision 25, paragraph (a), clause (8), may be ~~(1) transferred electronically from the organization's gambling account directly to bank accounts identified by local, state, or federal agencies if the organization's gambling account monthly bank statement specifically identifies the payee by name, the amount transferred, and the date of the transaction; or (2) transferred electronically to and from the account of a payroll processing firm that meets the criteria for such a firm established under section 349.168, subdivision 6.~~

(f) Expenditures of gross profits from lawful gambling ~~as identified in section 349.12, subdivision 3a, and as authorized by section 349.15, subdivision 1,~~ for payments for taxes, lawful purpose expenditures and allowable expenses may be transferred electronically from the organization's gambling account directly to bank accounts identified by the vendor if the organization's gambling account monthly bank statement specifically identifies the payee by name, the amount transferred, the account number of the account into which the funds were transferred, and the date of the transaction.

(g) Expenditures of gross profits from lawful gambling for payroll compensation to an employee's account and for the payment of local, state, and federal withholding taxes may be transferred electronically to and from the account of a payroll processing firm provided that the firm:

(1) is currently registered with and meets the criteria of the Department of Revenue as a third-party bulk filer under section 290.92, subdivision 30;

(2) is able to provide proof of a third-party audit and an annual report and statement of financial condition;

(3) is able to provide evidence of a fidelity bond; and

(4) can provide proof of having been in business as a third-party bulk filer for the most recent three years.

(h) Electronic payments of taxes, lawful purpose expenditures, and allowable expenses are permitted only if they have been authorized by the membership, the organization maintains supporting documentation, and the expenditures can be verified.

~~(b) Expenditures authorized by the board according to section 349.12, subdivision 25, paragraph (b), clause (3), must be 51 percent completed within two years of the date of board approval. "Fifty one percent completed" means that the work completed must represent at least 51 percent of the value of the project as documented by the contractor or vendor. An organization that fails to comply with this paragraph shall reapply to the board for approval of the project.~~

Sec. 49. Minnesota Statutes 2008, section 349.19, subdivision 9, is amended to read:

Subd. 9. **Annual financial audit; filing requirement.** An organization licensed under this chapter must have an annual financial audit ~~or financial review~~ when required by section 297E.06, subdivision 4.

Sec. 50. Minnesota Statutes 2008, section 349.19, subdivision 10, is amended to read:

Subd. 10. **Pull-tab records.** (a) The board shall by rule require a licensed organization to require each winner of a pull-tab prize of \$50 or more to present identification in the form of a driver's license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and ~~tracking~~ tracking of the winner. The rule must require the organization to retain winning pull-tabs of \$50 or more, and the identification of the winner of the pull-tab, for 3-1/2 years.

(b) An organization must maintain separate cash banks for each deal of pull-tabs unless (1) the licensed organization uses a pull-tab dispensing device, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of pull-tabs by separate deals.

(c) The board shall:

(1) by rule adopt minimum technical standards for cash registers that may be used by organizations, and shall approve for use by organizations any cash register that meets the standards; and

(2) before allowing an organization to use a cash register that commingles receipts from several different pull-tab games in play, adopt rules that define how cash registers may be used and that establish a procedure for organizations to reconcile all pull-tab games in play at the end of each month.

Sec. 51. Minnesota Statutes 2008, section 349.191, subdivision 1, is amended to read:

Subdivision 1. **Credit restriction.** A manufacturer may not offer or extend to a distributor or linked bingo game provider, a linked bingo game provider ~~may not offer or extend to an organization, and or~~ a distributor may not offer or extend to an organization, credit for a period of more than 30 days for the sale or lease of any gambling

equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30-day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Sec. 52. Minnesota Statutes 2008, section 349.191, subdivision 1a, is amended to read:

Subd. 1a. **Credit and sales to delinquent organizations.** (a) If a distributor or linked bingo game provider does not receive payment in full from an organization within 30 days of the day immediately following the date of the invoice, the distributor or linked bingo game provider must notify the board in writing of the delinquency on the next business day.

(b) If a distributor or linked bingo game provider who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor or linked bingo game provider must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors and linked bingo game providers that until further notice from the board, they may sell or lease gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors and linked bingo game providers not to sell or lease any gambling equipment to the delinquent organization.

(d) No distributor or linked bingo game provider may extend credit or sell or lease gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale or lease.

Sec. 53. Minnesota Statutes 2008, section 349.191, subdivision 1b, is amended to read:

Subd. 1b. **Credit and sales to delinquent distributors or linked bingo game providers.** (a) If a manufacturer does not receive payment in full from a distributor or linked bingo game provider within 30 days of the day immediately following the date of invoice, the manufacturer must notify the board in writing of the delinquency on the next business day.

(b) If a manufacturer who has notified the board under paragraph (a) has not received payment in full from the distributor or linked bingo game provider within 60 days of the notification under paragraph (a), the manufacturer must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all manufacturers that until further notice from the board, they may sell or lease gambling equipment to the delinquent distributor or linked bingo game provider only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all manufacturers not to sell or lease any gambling equipment to the delinquent distributor or linked bingo game provider.

(d) No manufacturer may extend credit or sell or lease gambling equipment to a distributor or linked bingo game provider in violation of an order under paragraph (c) until the board has authorized such credit or sale or lease.

Sec. 54. Minnesota Statutes 2008, section 349.191, subdivision 2, is amended to read:

Subd. 2. **Invoices.** All invoices prepared by a manufacturer ~~or~~ distributor, or linked bingo game provider and presented as part of a credit transaction for the purchase of gambling equipment must clearly bear the words "Notice: State Law Prohibits the Extension of Credit For This Sale or Lease For More Than 30 Days."

Sec. 55. Minnesota Statutes 2008, section 349.191, subdivision 3, is amended to read:

Subd. 3. **Rules.** Any rule of the board which requires a manufacturer to report to the board any distributor or linked bingo game provider who is delinquent in payment for gambling equipment must provide that a distributor or linked bingo game provider is subject to the rule if the distributor or linked bingo game provider is more than 30 days delinquent in payment to a manufacturer.

Sec. 56. Minnesota Statutes 2008, section 349.191, subdivision 4, is amended to read:

Subd. 4. **Credit; postdated checks.** For purposes of this section, "credit" includes acceptance by a manufacturer ~~or~~ distributor, or linked bingo game provider of a postdated check in payment for gambling equipment.

Sec. 57. Minnesota Statutes 2008, section 349.2127, subdivision 7, is amended to read:

Subd. 7. **Checks for gambling purchases.** An organization may not accept checks or debit cards in payment for the purchase of any gambling equipment or for the chance to participate in any form of lawful gambling except a raffle. If an organization accepts a check or debit card, the payment of which is subsequently dishonored, the organization shall reimburse its gambling account for the amount of the dishonored ~~check payment~~ within 30 days of receiving notice of the dishonor. This subdivision does not apply to gaming activities conducted pursuant to the Indian Gaming Regulatory Act, United States Code, title 25, section 2701 et seq.

Sec. 58. Minnesota Statutes 2008, section 349.213, subdivision 1, is amended to read:

Subdivision 1. **Local regulation.** (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, ~~and~~

(b) A statutory or home rule city or county may require a permit for the conduct of gambling exempt from licensing under section 349.166. The fee for a permit issued under section 349.166 may not exceed \$100.

(c) The authority granted by this subdivision does not include the authority to require a license or fee for a license or permit to conduct gambling by organizations, gambling managers, gambling employees, or sales by distributors or linked bingo game providers licensed by or registered with the board.

(d) The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent per year from its net profits derived from lawful gambling.

(e) For the purposes of this subdivision, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling.

(f) A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except:

(1) as authorized under section 349.16, subdivision 8, or 297E.02; ~~provided, however, that or~~

(2) by an ordinance requirement that such organizations must contribute ten percent per year of their net profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement. The funds must be disbursed by the responsible local unit of government of the receipts for (i) charitable contributions as defined in section 349.12, subdivision 7a, or (ii) police, fire, and other emergency or public safety-related services, equipment, and training, excluding pension obligations. A contribution made by an organization is not considered

an expenditure to the city or county nor a tax under section 297E.02, and is valid and lawful. A city or county receiving and making expenditures authorized under this paragraph clause must by March 15 of each year file a report with the board, on a form the board prescribes, that lists all such revenues collected, interest received on fund balances, and expenditures for the previous calendar year.

~~(b)~~ (g) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city and township contiguous to the defining city.

~~(e)~~ (h) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

Sec. 59. Minnesota Statutes 2008, section 349.213, subdivision 2, is amended to read:

Subd. 2. **Local approval.** ~~Before issuing or renewing a premises permit, the board must notify the city council of the statutory or home rule city in which the organization's premises is located or, if the premises is located outside a city, the county board of the county and the town board of the town where the premises is located. The board may require organizations to notify the appropriate local government at the time of application. This required notification is sufficient to constitute the notice required by this subdivision. The board may not issue or renew a premises permit unless the organization submits a resolution from the city council or county board approving the premises permit. The resolution must have been adopted within 90 days of the date of application for the new or renewed permit or license. The board may not issue an initial premises permit unless approval is received from:~~

(1) the city council of the statutory or home rule city in which the organization's premises is located; or

(2) the county board of the county where the premises is located.

The organization must submit a resolution from the city council or county board approving the premises permit. The resolution must have been adopted within 90 days of the date of application for the new permit.

Sec. 60. **REPEALER.**

(a) Minnesota Statutes 2008, sections 349.15, subdivision 4; 349.154, subdivision 2; 349.155, subdivision 7; 349.16, subdivisions 9 and 10; 349.166, subdivision 3; 349.168, subdivisions 4, 6, 7, and 10; 349.18, subdivisions 2 and 3; and 349.2127, subdivision 8, are repealed effective July 1, 2009.

(b) Minnesota Statutes 2008, section 349.15, subdivision 5, is repealed effective December 31, 2009.

Sec. 61. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective July 1, 2009."

Delete the title and insert:

"A bill for an act relating to lawful gambling; modifying lawful purpose and other definitions; establishing a rating system for annual lawful purpose expenditures and imposing civil penalties; modifying provisions relating to licensing and permits and providing for fees; regulating conduct of bingo and other games; modifying lease

requirements; regulating who may participate in lawful gambling; providing for expenditures of gross profits; providing for local approval; changing annual audit requirements; making clarifying, technical, and conforming changes to lawful gambling provisions; amending Minnesota Statutes 2008, sections 297E.06, subdivision 4; 349.11; 349.12, subdivisions 3a, 7, 7a, 12a, 18, 19, 21, 25, 32a, 33; 349.15, subdivisions 1, 1a; 349.151, subdivision 4; 349.154, subdivision 1; 349.155, subdivisions 3, 4a; 349.16, subdivisions 2, 3, 6, 8, 11, by adding subdivisions; 349.162, subdivision 6; 349.1635, subdivision 3; 349.1641; 349.165, subdivisions 1, 2, 3, by adding a subdivision; 349.166, subdivision 2; 349.167, subdivision 2; 349.168, subdivision 8; 349.169, subdivisions 1, 3; 349.17, subdivisions 3, 5, 6, 7; 349.173; 349.18, subdivision 1; 349.19, subdivisions 2, 2a, 3, 9, 10; 349.191, subdivisions 1, 1a, 1b, 2, 3, 4; 349.2127, subdivision 7; 349.213, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 2008, sections 349.15, subdivisions 4, 5; 349.154, subdivision 2; 349.155, subdivision 7; 349.16, subdivisions 9, 10; 349.166, subdivision 3; 349.168, subdivisions 4, 6, 7, 10; 349.18, subdivisions 2, 3; 349.2127, subdivision 8."

The motion prevailed and the amendment was adopted.

Brown offered an amendment to S. F. No. 1284, the third engrossment, as amended.

POINT OF ORDER

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

Rukavina appealed the decision of Speaker pro tempore Hortman.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Abeler	Davnie	Gottwalt	Johnson	Mack	Otremba
Anderson, B.	Dean	Gunther	Kahn	Magnus	Pelowski
Anderson, P.	Demmer	Hackbarth	Kalin	Mahoney	Peppin
Anderson, S.	Dettmer	Hansen	Kath	Marquart	Persell
Anzelc	Dill	Hausman	Kiffmeyer	Masin	Peterson
Atkins	Dittrich	Haws	Knuth	McFarlane	Poppe
Beard	Doepke	Hayden	Koenen	McNamara	Reinert
Benson	Doty	Hilstrom	Kohls	Morrow	Rosenthal
Bigham	Downey	Hilty	Laine	Mullery	Rukavina
Bly	Drazkowski	Holberg	Lanning	Murphy, E.	Sailer
Brod	Eastlund	Hoppe	Lenczewski	Murphy, M.	Sanders
Brown	Eken	Hornstein	Lesch	Nelson	Scalze
Brynaert	Emmer	Hortman	Liebling	Newton	Scott
Buesgens	Falk	Hosch	Lieder	Nornes	Seifert
Carlson	Faust	Howes	Lillie	Norton	Severson
Champion	Gardner	Huntley	Loeffler	Obermueller	Shimanski
Davids	Garofalo	Jackson	Loon	Olin	Simon

Slawik	Solberg	Thao	Urdahl	Welti	Zellers
Slocum	Sterner	Tillberry	Wagenius	Westrom	Spk. Kelliher
Smith	Swails	Torkelson	Ward	Winkler	

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

The vote recurred on the question "Shall the decision of Speaker pro tempore Hortman stand as the judgment of the House?" and the roll was called. There were 67 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abeler	Faust	Jackson	Mariani	Rosenthal	Tillberry
Anzelc	Fritz	Johnson	Marquart	Ruud	Urdahl
Atkins	Gardner	Knuth	Masin	Sailer	Wagenius
Benson	Greiling	Koenen	Morgan	Scalze	Ward
Bigham	Hansen	Laine	Morrow	Sertich	Welti
Brynaert	Hausman	Lenczewski	Murphy, E.	Simon	Winkler
Carlson	Hayden	Lesch	Murphy, M.	Slawik	Spk. Kelliher
Champion	Hilstrom	Liebling	Nelson	Slocum	
Clark	Hilty	Lieder	Norton	Solberg	
Davnie	Hornstein	Lillie	Obermueller	Sterner	
Eken	Hortman	Loeffler	Persell	Thao	
Falk	Huntley	Mahoney	Reinert	Thissen	

Those who voted in the negative were:

Anderson, B.	Dean	Garofalo	Kalin	Mullery	Scott
Anderson, P.	Demmer	Gottwalt	Kath	Newton	Seifert
Anderson, S.	Dettmer	Gunther	Kelly	Nornes	Severson
Beard	Dill	Hackbarth	Kiffmeyer	Olin	Shimanski
Bly	Dittrich	Hamilton	Kohls	Otremba	Smith
Brod	Doepke	Haws	Lanning	Pelowski	Swails
Brown	Doty	Holberg	Loon	Peppin	Torkelson
Buesgens	Downey	Hoppe	Mack	Peterson	Westrom
Bunn	Drazkowski	Hosch	Magnus	Poppe	Zellers
Cornish	Eastlund	Howes	McFarlane	Rukavina	
Davids	Emmer	Kahn	McNamara	Sanders	

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

CALL OF THE HOUSE LIFTED

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

Brown; Anderson, P.; Newton; Rukavina; Gunther; Emmer and Otremba offered an amendment to S. F. No. 1284, the third engrossment, as amended.

POINT OF ORDER

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

Scott was excused between the hours of 4:20 p.m. and 6:30 p.m.

S. F. No. 1284, A bill for an act relating to lawful gambling; modifying lawful purpose and other definitions; establishing a rating system for annual lawful purpose expenditures and imposing civil penalties; modifying provisions relating to licensing and permits and providing for fees; regulating conduct of bingo and other games; modifying lease requirements; regulating who may participate in lawful gambling; providing for expenditures of gross profits; prohibiting the use of debit cards for certain gambling purposes; providing for local approval; making clarifying, technical, and conforming changes to lawful gambling provisions; amending Minnesota Statutes 2008, sections 297E.06, subdivision 4; 349.11; 349.12, subdivisions 3a, 7, 7a, 12a, 18, 19, 21, 25, 29, 32a, 33; 349.15, subdivisions 1, 1a; 349.151, subdivision 4; 349.154, subdivision 1; 349.155, subdivisions 3, 4a; 349.16, subdivisions 2, 3, 6, 8, 11, by adding subdivisions; 349.162, subdivision 6; 349.1635, subdivision 3; 349.1641; 349.165, subdivisions 1, 2, 3, by adding a subdivision; 349.166, subdivision 2; 349.167, subdivision 2; 349.168, subdivision 8; 349.169, subdivisions 1, 3; 349.17, subdivisions 3, 5, 6, 7; 349.173; 349.18, subdivision 1; 349.19, subdivisions 2, 2a, 3, 9, 10; 349.191, subdivisions 1, 1a, 1b, 2, 3, 4; 349.2127, subdivision 7; 349.213, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 349; repealing Minnesota Statutes 2008, sections 349.15, subdivisions 4, 5; 349.154, subdivision 2; 349.155, subdivision 7; 349.16, subdivisions 9, 10; 349.166, subdivision 3; 349.168, subdivisions 4, 6, 7, 10; 349.18, subdivisions 2, 3; 349.2127, subdivision 8.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler Holberg

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

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

RECESS

RECONVENED

The House reconvened and was called to order by Speaker pro tempore Sertich.

Kelliher and Seifert were excused between the hours of 6:30 p.m. and 7:40 p.m.

Cornish and Slawik were excused for the remainder of today's session.

CALENDAR FOR THE DAY, Continued

MOTION FOR RECONSIDERATION

Fritz moved that the vote whereby H. F. No. 266 was passed on the Calendar for the Day earlier today be now reconsidered. The motion prevailed.

Fritz moved that H. F. No. 266 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 763 was reported to the House.

S. F. No. 763 was read for the third time.

CALL OF THE HOUSE

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

Abeler	Champion	Eastlund	Haws	Kalin	Loon
Anderson, B.	Clark	Emmer	Hayden	Kath	Mack
Anderson, P.	Davids	Falk	Hilstrom	Kelly	Magnus
Anderson, S.	Davnie	Faust	Hilty	Kiffmeyer	Mahoney
Anzenc	Dean	Fritz	Holberg	Knuth	Mariani
Atkins	Demmer	Gardner	Hoppe	Kohls	Marquart
Bigham	Dettmer	Garofalo	Hornstein	Laine	McFarlane
Brod	Dill	Greiling	Hortman	Lanning	McNamara
Brown	Dittrich	Gunther	Hosch	Lesch	Morgan
Brynaert	Doepke	Hackbarth	Huntley	Liebling	Morrow
Buesgens	Doty	Hamilton	Jackson	Lieder	Murphy, E.
Bunn	Downey	Hansen	Johnson	Lillie	Murphy, M.
Carlson	Drazkowski	Hausman	Kahn	Loeffler	Nelson

Newton	Persell	Sailer	Simon	Tillberry	Winkler
Nornes	Peterson	Sanders	Smith	Torkelson	Zellers
Norton	Poppe	Scalze	Solberg	Urdahl	
Obermueller	Reinert	Scott	Sterner	Wagenius	
Olin	Rosenthal	Sertich	Swails	Ward	
Pelowski	Rukavina	Severson	Thao	Welti	
Peppin	Ruud	Shimanski	Thissen	Westrom	

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

S. F. No. 763, A bill for an act relating to elections; requiring notice of restoration of civil rights; proposing coding for new law in Minnesota Statutes, chapters 201; 243; 630.

The bill was placed upon its final passage and the roll was called. There were 118 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Gottwalt	Hackbarth	Morgan	Severson
Garofalo	Gunther	Kiffmeyer	Peppin	

The bill was passed and its title agreed to.

CALL OF THE HOUSE LIFTED

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

S. F. No. 1009 was reported to the House.

Hortman moved to amend S. F. No. 1009, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1213, the first engrossment:

"Section 1. Minnesota Statutes 2008, section 609.321, is amended by adding a subdivision to read:

Subd. 13. Place of public accommodation. "Place of public accommodation" means a business, accommodation, refreshment, entertainment, recreation, or transportation facility of any kind, whether licensed or not, whose goods, services, facilities, privileges, advantages, or accommodations are extended, offered, sold, or otherwise made available to the public.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2008, section 609.324, subdivision 2, is amended to read:

Subd. 2. Solicitation or acceptance of solicitation to engage in prostitution in public place; penalty. Whoever ~~solicits or accepts a solicitation to engage for hire in sexual penetration or sexual contact~~ intentionally does any of the following while in a public place ~~may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000 or both.~~ is guilty of a gross misdemeanor:

(1) engages in prostitution with an individual 18 years of age or older; or

(2) hires or offers or agrees to hire an individual 18 years of age or older to engage in sexual penetration or sexual contact.

Except as otherwise provided in subdivision 4, a person who is convicted of violating this subdivision while acting as a patron must, at a minimum, be sentenced to pay a fine of at least \$1,500.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2008, section 609.324, subdivision 3, is amended to read:

Subd. 3. Engaging in, hiring, or agreeing to hire adult to engage in prostitution; penalties. (a) Whoever intentionally does any of the following ~~may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than \$1,000, or both~~ is guilty of a misdemeanor:

(1) engages in prostitution with an individual 18 years of age or above; or

(2) hires or offers or agrees to hire an individual 18 years of age or above to engage in sexual penetration or sexual contact. Except as otherwise provided in subdivision 4, a person who is convicted of violating this ~~clause or clause (1) paragraph~~ while acting as a patron must, at a minimum, be sentenced to pay a fine of at least \$500.

(b) Whoever violates the provisions of this subdivision within two years of a previous prostitution conviction ~~may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both for violating this section or section 609.322~~ is guilty of a gross misdemeanor. Except as otherwise provided in subdivision 4, a person who is convicted of ~~a gross misdemeanor violation of this subdivision~~ violating this paragraph while acting as a patron, must, at a minimum, be sentenced as follows:

(1) to pay a fine of at least \$1,500; and

(2) to serve 20 hours of community work service.

The court may waive the mandatory community work service if it makes specific, written findings that the community work service is not feasible or appropriate under the circumstances of the case.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to public safety; clarifying the prostitution penalty enhancement provision for repeat offenders; broadening the prostitution in a public place crime; amending Minnesota Statutes 2008, sections 609.321, by adding a subdivision; 609.324, subdivisions 2, 3."

The motion prevailed and the amendment was adopted.

S. F. No.1009, A bill for an act relating to public safety; clarifying the prostitution penalty enhancement provision for repeat offenders; broadening the prostitution in a public place crime; making driving records relating to prostitution offenses public for repeat offenders and ensuring that they are available to law enforcement for first-time offenders; amending Minnesota Statutes 2008, sections 609.321, subdivision 12; 609.324, subdivisions 2, 3, 5.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 915 was reported to the House.

Buesgens moved that S. F. No. 915, the third unofficial engrossment, be re-referred to the Committee on Finance.

A roll call was requested and properly seconded.

The question was taken on the Buesgens motion and the roll was called. There were 46 yeas and 82 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

Champion and Winkler were excused for the remainder of today's session.

Brynaert, Kath, Dettmer, Morrow, Garofalo, Norton, Mariani, Poppe, Doepke, McFarlane, Bunn and Greiling moved to amend S. F. No. 915, the third unofficial engrossment, as follows:

Page 3, line 15, after "(b)" insert "The school board of a school employer and"

Page 3, line 16, after "shall" insert "jointly"

Page 3, line 17, delete "it" and insert "the exclusive representative" and delete "participate in" and insert "opt-out of"

Page 3, line 30, after the first "of" insert "a school board of a school employer and"

Page 3, line 31, delete "a school district" and insert "the school board of a school employer"

Page 3, line 31, delete "enter" and insert "not opt-out of entry"

A roll call was requested and properly seconded.

The question was taken on the Brynaert et al amendment and the roll was called. There were 74 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Haws	Lillie	Peppin	Slawik
Anderson, P.	Doepke	Holberg	Loeffler	Persell	Smith
Anderson, S.	Downey	Hoppe	Loon	Poppe	Sterner
Beard	Drazkowski	Kahn	Mack	Reinert	Swails
Benson	Eastlund	Kalin	Mariani	Rosenthal	Urdahl
Bigham	Emmer	Kath	Masin	Ruud	Wagenius
Brod	Faust	Kelly	McFarlane	Sailer	Welti
Brynaert	Gardner	Kiffmeyer	McNamara	Sanders	Westrom
Buesgens	Garofalo	Knuth	Morrow	Scalze	Zellers
Bunn	Gottwalt	Kohls	Nornes	Scott	
Davnie	Greiling	Lanning	Norton	Seifert	
Dean	Gunther	Lenczewski	Obermueller	Severson	
Demmer	Hackbarth	Liebling	Olin	Shimanski	

Those who voted in the negative were:

Abeler	Doty	Hornstein	Lieder	Otremba	Tillberry
Anzelc	Eken	Hortman	Magnus	Pelowski	Torkelson
Atkins	Falk	Hosch	Mahoney	Peterson	Ward
Bly	Fritz	Howes	Marquart	Rukavina	Spk. Kelliher
Brown	Hamilton	Huntley	Morgan	Sertich	
Carlson	Hansen	Jackson	Mullery	Simon	
Clark	Hausman	Johnson	Murphy, E.	Slocum	
Davids	Hayden	Koenen	Murphy, M.	Solberg	
Dill	Hilstrom	Laine	Nelson	Thao	
Dittrich	Hilty	Lesch	Newton	Thissen	

The motion prevailed and the amendment was adopted.

Loeffler and Norton moved to amend S. F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 3, line 4, delete everything after "shall" and insert "offer school employees their choice of at least two of the following plans offered by the public employee insurance program: PEIP Advantage, Advantage Value, and Advantage HSA"

Page 3, delete line 5

Page 3, line 6, delete everything before the period

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

Kahn, Davnie, Loeffler and Wagenius moved to amend S F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 3, line 15, after "(b)" insert "(1)"

Page 3, line 18, after the period, insert "(2) A district with more than seven bargaining units may opt out of the requirements of paragraph (a). (3)"

Page 3, line 20, before the period, insert "clauses (1) and (2)"

A roll call was requested and properly seconded.

The question was taken on the Kahn et al amendment and the roll was called. There were 43 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dettmer	Holberg	Loeffler	Ruud	Sterner
Anderson, S.	Doepke	Hoppe	Loon	Sanders	Wagenius
Beard	Downey	Kahn	Mack	Scott	Zellers
Benson	Drazkowski	Kelly	Mariani	Seifert	
Brod	Eastlund	Kiffmeyer	Masin	Severson	
Brynaert	Emmer	Kohls	McFarlane	Slawik	
Davnie	Gottwalt	Lanning	Mullery	Slocum	
Dean	Greiling	Lillie	Rosenthal	Smith	

Those who voted in the negative were:

Abeler	Doty	Hilty	Liebling	Olin	Swails
Anderson, P.	Eken	Hornstein	Lieder	Otremba	Thao
Anzelc	Falk	Hortman	Magnus	Pelowski	Thissen
Atkins	Faust	Hosch	Mahoney	Peppin	Tillberry
Bigham	Fritz	Howes	Marquart	Persell	Torkelson
Bly	Gardner	Huntley	McNamara	Peterson	Urdahl
Brown	Garofalo	Jackson	Morgan	Poppe	Ward
Buesgens	Gunther	Johnson	Morrow	Reinert	Walti
Bunn	Hackbarth	Kalin	Murphy, E.	Rukavina	Westrom
Carlson	Hamilton	Kath	Murphy, M.	Sailer	Spk. Kelliher
Clark	Hansen	Knuth	Nelson	Scalze	
Davids	Hausman	Koenen	Newton	Sertich	
Demmer	Haws	Laine	Nornes	Shimanski	
Dill	Hayden	Lenczewski	Norton	Simon	
Dittrich	Hilstrom	Lesch	Obermueller	Solberg	

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

Zellers moved to amend S. F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 7, after line 24, insert:

"Sec. 16. **ACTUARIAL STUDY.**

Notwithstanding any other provision to the contrary, coverage shall not be offered under Minnesota Statutes, section 43A.316, subdivision 12, unless an updated actuarial study of the proposed coverage has been provided to the legislature by the commissioner of commerce not later than nine months prior to the date coverage is proposed to begin."

Page 7, line 26, delete "15" and insert "16"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Zellers amendment and the roll was called. There were 51 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Gottwalt	Kohls	Mullery	Slawik
Anderson, P.	Demmer	Greiling	Lanning	Nornes	Smith
Anderson, S.	Dettmer	Gunther	Lillie	Norton	Sterner
Beard	Doepke	Hackbarth	Loeffler	Peppin	Wagenius
Brod	Downey	Holberg	Loon	Sanders	Westrom
Brynaert	Drazkowski	Hoppe	Mack	Scott	Zellers
Buesgens	Eastlund	Kahn	Magnus	Seifert	
Bunn	Emmer	Kelly	McFarlane	Severson	
Davnie	Garofalo	Kiffmeyer	McNamara	Shimanski	

Those who voted in the negative were:

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

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

Gottwalt moved to amend S. F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 3, line 7, after the period, insert "The school employee insurance program must offer long-term care insurance."

A roll call was requested and properly seconded.

The question was taken on the Gottwalt amendment and the roll was called. There were 18 yeas and 110 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Buesgens	Gottwalt	Kohls	Sanders	Shimanski
Anderson, S.	Dean	Hackbarth	Lanning	Seifert	Smith
Brod	Emmer	Holberg	Mack	Severson	Zellers

Those who voted in the negative were:

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

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

Hoppe, Garofalo and Zellers moved to amend S. F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 3, line 7, after the period, insert "The premium rates of the school employee insurance program must not increase by more than 25 percent in any two-year period."

The motion prevailed and the amendment was adopted.

Hoppe moved to amend S. F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 4, line 12, before the period, insert "and three ex officio members"

Page 4, line 2, after the period, insert "The ex officio members shall be the commissioners of finance, commerce, and health."

A roll call was requested and properly seconded.

The question was taken on the Hoppe amendment and the roll was called. There were 47 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Kiffmeyer	Mullery	Severson
Anderson, S.	Dettmer	Greiling	Kohls	Nornes	Shimanski
Beard	Doepke	Gunther	Lanning	Obermueller	Smith
Brod	Downey	Hackbarth	Lillie	Peppin	Thissen
Brynaert	Drazkowski	Holberg	Loon	Ruud	Wagenius
Buesgens	Eastlund	Hoppe	Mack	Sanders	Westrom
Davnie	Emmer	Kahn	McFarlane	Scott	Zellers
Dean	Garofalo	Kelly	McNamara	Seifert	

Those who voted in the negative were:

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

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

Kelly, Brynaert, Garofalo, Sanders, Mack, Norton, McFarlane and Doepke moved to amend S. F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 3, line 14, after the period, insert "A school employer is not liable for the obligations of the school employee insurance program."

A roll call was requested and properly seconded.

The question was taken on the Kelly et al amendment and the roll was called. There were 53 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Doepke	Gunther	Kohls	Nornes	Seifert
Anderson, S.	Downey	Hackbarth	Lanning	Norton	Severson
Beard	Drazkowski	Hayden	Liebling	Obermueller	Shimanski
Brod	Eastlund	Holberg	Lillie	Olin	Slawik
Brynaert	Emmer	Hoppe	Loon	Peppin	Smith
Buesgens	Fritz	Kahn	Mack	Rosenthal	Sterner
Dean	Garofalo	Kath	McFarlane	Ruud	Westrom
Demmer	Gottwalt	Kelly	McNamara	Sanders	Zellers
Dettmer	Greiling	Kiffmeyer	Mullery	Scott	

Those who voted in the negative were:

Abeler	Dill	Hornstein	Lieder	Otremba	Swails
Anderson, P.	Dittrich	Hortman	Loeffler	Pelowski	Thao
Anzelc	Doty	Hosch	Magnus	Persell	Thissen
Atkins	Eken	Howes	Mahoney	Peterson	Tillberry
Benson	Falk	Huntley	Mariani	Poppe	Torkelson
Bigham	Faust	Jackson	Marquart	Reinert	Urdahl
Bly	Gardner	Johnson	Masin	Rukavina	Wagenius
Brown	Hamilton	Kalin	Morgan	Sailer	Ward
Bunn	Hansen	Knuth	Morrow	Scalze	Welti
Carlson	Hausman	Koenen	Murphy, E.	Sertich	Spk. Kelliher
Clark	Haws	Laine	Murphy, M.	Simon	
Davids	Hilstrom	Lenczewski	Nelson	Slocum	
Davnie	Hilty	Lesch	Newton	Solberg	

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

Doepke, Downey, Loon, Kohls, McFarlane and Beard moved to amend S. F. No. 915, the third unofficial engrossment, as amended, as follows:

Page 3, line 12, delete "must" and insert "may"

Page 3, line 13, delete "School"

Page 3, delete lines 14 to 32

Page 3, line 33, delete "(f)" and insert "(b)"

A roll call was requested and properly seconded.

The question was taken on the Doepke et al amendment and the roll was called. There were 57 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Greiling	Lillie	Rosenthal	Slocum
Anderson, P.	Demmer	Gunther	Loeffler	Ruud	Smith
Anderson, S.	Dettmer	Hackbarth	Loon	Sanders	Sterner
Beard	Doepke	Holberg	Mack	Scalze	Swails
Benson	Downey	Hoppe	McFarlane	Scott	Wagenius
Brod	Drazkowski	Kahn	McNamara	Seifert	Westrom
Brynaert	Eastlund	Kelly	Mullery	Severson	Zellers
Buesgens	Emmer	Kiffmeyer	Nornes	Shimanski	
Bunn	Garofalo	Kohls	Norton	Simon	
Davnie	Gottwalt	Lanning	Peppin	Slawik	

Those who voted in the negative were:

Abeler	Eken	Hornstein	Lenczewski	Murphy, M.	Sailer
Anzelc	Falk	Hortman	Lesch	Nelson	Sertich
Atkins	Faust	Hosch	Liebling	Newton	Solberg
Bigham	Fritz	Howes	Lieder	Obermueller	Thao
Bly	Gardner	Huntley	Magnus	Olin	Thissen
Brown	Hamilton	Jackson	Mahoney	Otremba	Tillberry
Carlson	Hansen	Johnson	Mariani	Pelowski	Torkelson
Clark	Hausman	Kalin	Marquart	Persell	Urdahl
Davids	Haws	Kath	Masin	Peterson	Ward
Dill	Hayden	Knuth	Morgan	Poppe	Welti
Dittrich	Hilstrom	Koenen	Morrow	Reinert	Spk. Kelliher
Doty	Hilty	Laine	Murphy, E.	Rukavina	

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

S. F. No. 915, A bill for an act relating to insurance; requiring school districts to obtain employee health coverage through the public employees insurance program; appropriating money; amending Minnesota Statutes 2008, sections 43A.316, subdivisions 9, 10, by adding subdivisions; 62E.02, subdivision 23; 62E.10, subdivision 1; 62E.11, subdivision 5; 297I.05, subdivision 5; 297I.15, subdivision 3.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 80 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Abeler	Clark	Gunther	Hosch	Lenczewski	Morrow
Anderson, P.	Davids	Hamilton	Howes	Lesch	Murphy, E.
Anzelc	Dill	Hansen	Huntley	Liebling	Murphy, M.
Atkins	Dittrich	Hausman	Jackson	Lieder	Nelson
Benson	Doty	Haws	Johnson	Magnus	Newton
Bigham	Eken	Hayden	Kalin	Mahoney	Norton
Bly	Falk	Hilstrom	Kath	Mariani	Obermueller
Brown	Faust	Hilty	Knuth	Marquart	Olin
Brynaert	Fritz	Hornstein	Koenen	Masin	Otremba
Carlson	Gardner	Hortman	Laine	Morgan	Pelowski

Persell	Rosenthal	Sertich	Thao	Urdahl
Peterson	Rukavina	Slocum	Thissen	Ward
Poppe	Sailer	Solberg	Tillberry	Welti
Reinert	Scalze	Swails	Torkelson	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	Demmer	Gottwalt	Kohls	Mullery	Shimanski
Anderson, S.	Dettmer	Greiling	Lanning	Nornes	Simon
Beard	Doepke	Hackbarth	Lillie	Peppin	Slawik
Brod	Downey	Holberg	Loeffler	Ruud	Smith
Buesgens	Drazkowski	Hoppe	Loon	Sanders	Sterner
Bunn	Eastlund	Kahn	Mack	Scott	Wagenius
Davnie	Emmer	Kelly	McFarlane	Seifert	Westrom
Dean	Garofalo	Kiffmeyer	McNamara	Severson	Zellers

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

Welti moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

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

H. F. No. 330, A bill for an act relating to real estate; providing homeowners with a longer period within which to notify contractors of construction defects; amending Minnesota Statutes 2008, section 327A.03.

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:

H. F. No. 668, A bill for an act relating to public safety; school buses; providing for postcrash procedures for school bus in an accident; amending Minnesota Statutes 2008, section 169.4511, subdivision 1.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

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. 417, A bill for an act relating to commerce; prohibiting certain claims processing practices by third-party administrators of health coverage plans; regulating health claims clearinghouses; providing recovery of damages and attorney fees for breach of an insurance policy; permitting a deceased professional's surviving spouse to retain ownership of a professional firm that was solely owned by the decedent for up to one year after the death; amending Minnesota Statutes 2008, sections 60A.23, subdivision 8; 319B.02, by adding a subdivision; 319B.07, subdivision 1; 319B.08; 319B.09, subdivision 1; 471.982, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 60A; 62Q.

The Senate has appointed as such committee:

Senators Bakk, Vandevveer and Scheid.

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. 523, A bill for an act relating to education; modifying school background check requirements relating to disciplinary actions; amending Minnesota Statutes 2008, section 123B.03, subdivision 1a.

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. 519, A bill for an act relating to local government; regulating nonconforming lots in shoreland areas; amending Minnesota Statutes 2008, sections 394.36, subdivision 4, by adding a subdivision; 462.357, subdivision 1e.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Nelson moved that the House refuse to concur in the Senate amendments to H. F. No. 519, that the Speaker appoint a Conference Committee of 3 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 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. 804, A bill for an act relating to probate; modifying provisions governing guardians and conservators; amending Minnesota Statutes 2008, sections 260C.331, subdivision 1; 524.5-102, subdivision 7, by adding a subdivision; 524.5-304; 524.5-309; 524.5-310; 524.5-315; 524.5-316; 524.5-317; 524.5-406; 524.5-409; 524.5-413; 524.5-414; 524.5-420; proposing coding for new law in Minnesota Statutes, chapter 524.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Thissen moved that the House refuse to concur in the Senate amendments to H. F. No. 804, that the Speaker appoint a Conference Committee of 3 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 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. 1849, A bill for an act relating to local government; removing, extending, or modifying certain mandates upon local governmental units; changing appropriations for certain costs of Office of Administrative Hearings; amending Minnesota Statutes 2008, sections 16C.28, subdivision 1a; 306.243, by adding a subdivision; 326B.145; 344.18; 365.28; 375.055, subdivision 1; 375.12, subdivision 2; 382.265; 383B.021; 384.151, subdivision 1a; 385.373, subdivision 1a; 386.015, subdivision 2; 387.20, subdivisions 1, 2; 415.11, by adding a subdivision; 429.041, subdivisions 1, 2; 469.015; 473.862; 641.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 14; repealing Minnesota Statutes 2008, sections 373.42; 384.151, subdivisions 1, 3; 385.373, subdivisions 1, 3; 386.015, subdivisions 1, 4; 387.20, subdivision 4.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Nelson moved that the House refuse to concur in the Senate amendments to H. F. No. 1849, that the Speaker appoint a Conference Committee of 3 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 the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 133, 358, 1708, 1778, 182, 745, 767, 1219, 251, 534, 1154, 1208, 711, 1016, 1314, 2127 and 191.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 133, A resolution memorializing Congress to oppose federal legislation that interferes with a state's ability to direct the transport or processing of horses.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

S. F. No. 358, A resolution memorializing the Congress of the United States not to reauthorize the No Child Left Behind Act in its current form.

The bill was read for the first time and referred to the Committee on K-12 Education Policy and Oversight.

S. F. No. 1708, A resolution memorializing the members of the Minnesota Congressional delegation to sponsor and support the Main Street Fairness Act.

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

S. F. No. 1778, A resolution memorializing the Congress of the United States to oppose enactment of legislation of the substance and tenor of S. 40/H.R. 3200 — the National Insurance Act of 2007 — proposed optional federal charter legislation.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

S. F. No. 182, A bill for an act relating to elections; establishing districting principles for legislative and congressional plans; providing for appointment of a commission to recommend the boundaries of legislative and congressional districts; appropriating money; amending Minnesota Statutes 2008, section 2.021; proposing coding for new law in Minnesota Statutes, chapter 2; repealing Minnesota Statutes 2008, section 2.031.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

S. F. No. 745, A bill for an act relating to elections; changing certain provisions concerning vacancies in nomination; amending Minnesota Statutes 2008, sections 203B.12, subdivision 2; 204B.04, subdivisions 2, 3; 204B.07, subdivision 1; 204B.09, subdivision 1; 204B.11, subdivision 2; 204B.13, subdivisions 1, 2, by adding subdivisions; repealing Minnesota Statutes 2008, sections 204B.12, subdivision 2a; 204B.13, subdivisions 4, 5, 6; 204B.41; 204D.169.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

S. F. No. 767, A bill for an act relating to metropolitan government; modifying the time period for comprehensive plan reviews by adjacent governmental units; clarifying water management plan requirements; amending Minnesota Statutes 2008, sections 103B.235, subdivision 3a; 473.858, subdivision 2; 473.859, subdivision 2.

The bill was read for the first time and referred to the Committee on State and Local Government Operations Reform, Technology and Elections.

S. F. No. 1219, A bill for an act relating to occupations and professions; creating licensing standards for full-time firefighters; establishing fees; amending Minnesota Statutes 2008, section 299N.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 299N.

The bill was read for the first time.

Atkins moved that S. F. No. 1219 and H. F. No. 1805, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 251, A bill for an act relating to commerce; clarifying the definition of "motor vehicle" in the statutory provision deeming the driver to be the agent of the owner in case of accident; amending Minnesota Statutes 2008, section 169.09, subdivision 5a.

The bill was read for the first time.

Holberg moved that S. F. No. 251 and H. F. No. 127, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 534, A bill for an act relating to corrections; authorizing arrest of a person who escapes from custody on an allegation or adjudication of a delinquent act; amending Minnesota Statutes 2008, section 629.34, subdivision 1.

The bill was read for the first time and referred to the Committee on Public Safety Policy and Oversight.

S. F. No. 1154, A bill for an act relating to occupations and professions; changing licensing provisions for social work; amending Minnesota Statutes 2008, sections 148D.010, subdivisions 9, 15, by adding subdivisions; 148D.025, subdivisions 2, 3; 148D.061, subdivisions 6, 8; 148D.062, subdivision 2; 148D.063, subdivision 2; 148D.125, subdivisions 1, 3; 148E.010, subdivisions 11, 17, by adding subdivisions; 148E.025, subdivisions 2, 3; 148E.055, subdivision 5; 148E.100, subdivisions 3, 4, 5, 6, 7, by adding a subdivision; 148E.105, subdivisions 1, 3, 5, 7, by adding a subdivision; 148E.106, subdivisions 1, 2, 3, 4, 5, 8, 9, by adding a subdivision; 148E.110, subdivisions 1, 2, by adding subdivisions; 148E.115, subdivision 1, by adding a subdivision; 148E.120; 148E.125, subdivisions 1, 3; 148E.130, subdivisions 2, 5, by adding a subdivision; 148E.165, subdivision 1; repealing Minnesota Statutes 2008, sections 148D.062, subdivision 5; 148D.125, subdivision 2; 148D.180, subdivision 8; 148E.106, subdivision 6; 148E.125, subdivision 2.

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

S. F. No. 1208, A bill for an act relating to human services; modifying provisions governing medical assistance claims and liens; amending Minnesota Statutes 2008, section 256B.15, subdivisions 1a, 5.

The bill was read for the first time.

Thissen moved that S. F. No. 1208 and H. F. No. 1482, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 711, A bill for an act relating to human services; modifying parental fees for services for persons with developmental disabilities; amending Minnesota Statutes 2008, section 252.27, subdivision 2a.

The bill was read for the first time.

Fritz moved that S. F. No. 711 and H. F. No. 266, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1016, A bill for an act relating to capital investment; authorizing the sale of Minnesota First bonds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 16A.

The bill was read for the first time.

Morrow moved that S. F. No. 1016 and H. F. No. 796, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1314, A bill for an act relating to natural resources; authorizing acquisition of certain easements; proposing coding for new law in Minnesota Statutes, chapter 84.

The bill was read for the first time and referred to the Committee on Environment Policy and Oversight.

S. F. No. 2127, A bill for an act relating to disaster assistance; reimbursing city of St. Charles for lost revenues; appropriating money.

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

S. F. No. 191, A bill for an act relating to retirement; various retirement plans; making various statutory changes needed to accommodate the dissolution of the Minnesota Post Retirement Investment Fund; redefining the value of pension plan assets for actuarial reporting purposes; revising various disability benefit provisions of the general state employees retirement plan, the correctional state employees retirement plan, and the State Patrol retirement plan; making various administrative provision changes; establishing a voluntary statewide lump-sum volunteer firefighter retirement plan administered by the Public Employees Retirement Association; revising various volunteer firefighters' relief association provisions; correcting 2008 drafting errors related to the Minneapolis Employees Retirement Fund and other drafting errors; granting special retirement benefit authority in certain cases; revising the special transportation pilots retirement plan of the Minnesota State Retirement System; expanding the membership of the state correctional employees retirement plan; extending the amortization target date for the Fairmont Police Relief Association; modifying the number of board of trustees members of the Minneapolis Firefighters Relief Association; increasing state education aid to offset teacher retirement plan employer contribution increases; increasing teacher retirement plan member and employer contributions; revising the normal retirement age and providing prospective benefit accrual rate increases for teacher retirement plans; permitting the Brimson Volunteer Firefighters' Relief Association to implement a different board of trustees composition; permitting employees of the Minneapolis Firefighters Relief Association and the Minneapolis Police Relief Association to become members of the general employee retirement plan of the Public Employees Retirement Association; creating a two-year demonstration postretirement adjustment mechanism for the St. Paul Teachers Retirement Fund Association; creating a temporary postretirement option program for employees covered by the general employee retirement plan

of the Public Employees Retirement Association; setting a statute of limitations for erroneous receipts of the general employee retirement plan of the Public Employees Retirement Association; permitting the Minnesota State Colleges and Universities System board to create an early separation incentive program; permitting certain Minnesota State Colleges and Universities System faculty members to make a second chance retirement coverage election upon achieving tenure; including the Weiner Memorial Medical Center, Inc., in the Public Employees Retirement Association privatization law; extending the approval deadline date for the inclusion of the Clearwater County Hospital in the Public Employees Retirement Association privatization law; requiring a report; appropriating money; amending Minnesota Statutes 2008, sections 3A.02, subdivision 3, by adding a subdivision; 3A.03, by adding a subdivision; 3A.04, by adding a subdivision; 3A.115; 11A.08, subdivision 1; 11A.17, subdivisions 1, 2; 11A.23, subdivisions 1, 2; 43A.34, subdivision 4; 43A.346, subdivisions 2, 6; 69.011, subdivisions 1, 2, 4; 69.021, subdivisions 7, 9; 69.031, subdivisions 1, 5; 69.77, subdivision 4; 69.771, subdivision 3; 69.772, subdivisions 4, 6; 69.773, subdivision 6; 127A.50, subdivision 1; 299A.465, subdivision 1; 352.01, subdivision 2b, by adding subdivisions; 352.021, by adding a subdivision; 352.04, subdivisions 1, 12; 352.061; 352.113, subdivision 4, by adding a subdivision; 352.115, by adding a subdivision; 352.12, by adding a subdivision; 352.75, subdivisions 3, 4; 352.86, subdivisions 1, 1a, 2; 352.91, subdivision 3d; 352.911, subdivisions 3, 5; 352.93, by adding a subdivision; 352.931, by adding a subdivision; 352.95, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 352B.02, subdivisions 1, 1a, 1c, 1d; 352B.08, by adding a subdivision; 352B.10, subdivisions 1, 2, 5, by adding subdivisions; 352B.11, subdivision 2, by adding a subdivision; 352C.10; 352D.06, subdivision 1; 352D.065, by adding a subdivision; 352D.075, by adding a subdivision; 353.01, subdivisions 2, 2a, 6, 11b, 16, 16b; 353.0161, subdivision 1; 353.03, subdivision 3a; 353.06; 353.27, subdivisions 1, 2, 3, 7, 7b; 353.29, by adding a subdivision; 353.31, subdivision 1b, by adding a subdivision; 353.33, subdivisions 1, 3b, 7, 11, 12, by adding subdivisions; 353.65, subdivisions 2, 3; 353.651, by adding a subdivision; 353.656, subdivision 5a, by adding a subdivision; 353.657, subdivision 3a, by adding a subdivision; 353.665, subdivision 3; 353A.02, subdivisions 14, 23; 353A.05, subdivisions 1, 2; 353A.08, subdivisions 1, 3, 6a; 353A.081, subdivision 2; 353A.09, subdivision 1; 353A.10, subdivisions 2, 3; 353E.01, subdivisions 3, 5; 353E.04, by adding a subdivision; 353E.06, by adding a subdivision; 353E.07, by adding a subdivision; 353F.02, subdivision 4; 354.05, subdivision 38, by adding a subdivision; 354.07, subdivision 4; 354.33, subdivision 5; 354.35, by adding a subdivision; 354.42, subdivisions 1a, 2, 3, by adding subdivisions; 354.44, subdivisions 4, 5, 6, by adding a subdivision; 354.46, by adding a subdivision; 354.47, subdivision 1; 354.48, subdivisions 4, 6, by adding a subdivision; 354.49, subdivision 2; 354.52, subdivisions 2a, 4b; 354.55, subdivisions 11, 13; 354.66, subdivision 6; 354.70, subdivisions 5, 6; 354A.011, subdivision 15a; 354A.096; 354A.12, subdivisions 1, 2a, by adding subdivisions; 354A.29, subdivision 3; 354A.31, subdivisions 4, 4a, 7; 354A.36, subdivision 6; 354B.21, subdivision 2; 356.20, subdivision 2; 356.215, subdivisions 1, 11; 356.219, subdivision 3; 356.315, by adding a subdivision; 356.32, subdivision 2; 356.351, subdivision 2; 356.401, subdivisions 2, 3; 356.465, subdivision 1, by adding a subdivision; 356.611, subdivisions 3, 4; 356.635, subdivisions 6, 7; 356.96, subdivisions 1, 5; 422A.06, subdivision 8; 422A.08, subdivision 5; 423C.03, subdivision 1; 424A.001, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10, by adding subdivisions; 424A.01; 424A.02, subdivisions 1, 2, 3, 3a, 7, 8, 9, 9a, 9b, 10, 12, 13; 424A.021; 424A.03; 424A.04; 424A.05, subdivisions 1, 2, 3, 4; 424A.06; 424A.07; 424A.08; 424A.10, subdivisions 1, 2, 3, 4, 5; 424B.10, subdivision 2, by adding subdivisions; 424B.21; 471.61, subdivision 1; 490.123, subdivisions 1, 3; 490.124, by adding a subdivision; Laws 1989, chapter 319, article 11, section 13; Laws 2006, chapter 271, article 5, section 5, as amended; Laws 2008, chapter 349, article 14, section 13; proposing coding for new law in Minnesota Statutes, chapters 136F; 352B; 353; 354; 356; 420; 424A; 424B; proposing coding for new law as Minnesota Statutes, chapter 353G; repealing Minnesota Statutes 2008, sections 11A.041; 11A.18; 11A.181; 352.119, subdivisions 2, 3, 4; 352.86, subdivision 3; 352B.01, subdivisions 1, 2, 3, 3b, 4, 6, 7, 9, 10, 11; 352B.26, subdivisions 1, 3; 353.271; 353A.02, subdivision 20; 353A.09, subdivisions 2, 3; 354.05, subdivision 26; 354.06, subdivision 6; 354.55, subdivision 14; 354.63; 354A.29, subdivisions 2, 4, 5; 356.2165; 356.41; 356.431, subdivision 2; 422A.01, subdivision 13; 422A.06, subdivision 4; 422A.08, subdivision 5a; 424A.001, subdivision 7; 424A.02, subdivisions 4, 6, 8a, 8b, 9b; 424A.09; 424B.10, subdivision 1; 490.123, subdivisions 1c, 1e.

The bill was read for the first time.

Murphy, M., moved that S. F. No. 191 and H. F. No. 723, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

MOTIONS AND RESOLUTIONS

Bigham moved that the name of Sterner be added as an author on H. F. No. 523. The motion prevailed.

Gottwalt moved that his name be stricken as an author on H. F. No. 927. The motion prevailed.

Howes moved that the name of Dittrich be added as an author on H. F. No. 2213. The motion prevailed.

Ruud, Brod and Thissen introduced:

House Resolution No. 5, A House resolution expressing the sense of the House of Representatives concerning adolescent well health.

The resolution was referred to the Committee on Rules and Legislative Administration.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 519:

Nelson, Mullery and Howes.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 804:

Thissen, Mullery and Anderson, P.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1849:

Nelson, Hornstein and Lanning.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1012:

Wagenius, Knuth, Kath, Persell and Loon.

ADJOURNMENT

Hortman moved that when the House adjourns today it adjourn until 12:00 noon, Saturday, May 16, 2009. The motion prevailed.

Hortman moved that the House adjourn. The motion prevailed, and Speaker pro tempore Sertich declared the House stands adjourned until 12:00 noon, Saturday, May 16, 2009.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives