

STATE OF MINNESOTA

EIGHTY-SIXTH SESSION — 2009

 FIFTY-SIXTH DAY

SAINT PAUL, MINNESOTA, SATURDAY, MAY 16, 2009

The House of Representatives convened at 12:00 noon and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by the Reverend Dennis J. Johnson, House Chaplain.

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

The roll was called and the following members were present:

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

A quorum was present.

Champion, Dittrich, Juhnke, Mahoney, Murdock and Paymar were excused.

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

REPORTS OF CHIEF CLERK

S. F. No. 191 and H. F. No. 723, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Murphy, M., moved that the rules be so far suspended that S. F. No. 191 be substituted for H. F. No. 723 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 251 and H. F. No. 127, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Holberg moved that the rules be so far suspended that S. F. No. 251 be substituted for H. F. No. 127 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 711 and H. F. No. 266, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Fritz moved that the rules be so far suspended that S. F. No. 711 be substituted for H. F. No. 266 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1016 and H. F. No. 796, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Morrow moved that the rules be so far suspended that S. F. No. 1016 be substituted for H. F. No. 796 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1208 and H. F. No. 1482, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Thissen moved that the rules be so far suspended that S. F. No. 1208 be substituted for H. F. No. 1482 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1219 and H. F. No. 1805, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Atkins moved that the rules be so far suspended that S. F. No. 1219 be substituted for H. F. No. 1805 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 191, 251, 711, 1016, 1208 and 1219 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dill, Thao, McNamara, Cornish and Sterner introduced:

H. F. No. 2391, A bill for an act relating to capital improvements; appropriating money for a shooting sports facility; authorizing the sale and issuance of state bonds.

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

Atkins and Zellers introduced:

H. F. No. 2392, A bill for an act relating to commerce; regulating claims practices for certain homeowner's or property claims; amending Minnesota Statutes 2008, section 72A.201, subdivision 4.

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

Nelson introduced:

H. F. No. 2393, A bill for an act relating to contracts; regulating building and construction contracts; prohibiting certain conditions on payments to subcontractors; requiring notice of loan defaults; amending Minnesota Statutes 2008, section 337.10, by adding subdivisions.

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

Faust, Beard, Otremba, Koenen, Dill and Olin introduced:

H. F. No. 2394, A bill for an act relating to energy; modifying provision relating to carbon dioxide emissions by utilities; amending Minnesota Statutes 2008, section 216H.03, by adding a subdivision.

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

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 Liebling.

Kalin was excused between the hours of 2:10 p.m. and 4:00 p.m.

MESSAGES FROM THE SENATE

The following messages were received from 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. 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.

The Senate has appointed as such committee:

Senators Rest, Day and Betzold.

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 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. 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.

The Senate has appointed as such committee:

Senators Moua, Latz and Hann.

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 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. 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.

The Senate has appointed as such committee:

Senators Rest, Gerlach and Lourey.

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 refuses to concur in the House amendments to the following Senate File:

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

Senators Berglin, Lynch and Fischbach.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Hosch moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 1504. 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. 265, A bill for an act relating to disposition of items on death; clarifying certain references; providing for collection of certain property by affidavit; correcting an erroneous reference and making other corrections and clarifications; amending Minnesota Statutes 2008, sections 524.1-304; 524.3-413; 524.3-1201; 524.3-1203, subdivision 5.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONCURRENCE AND REPASSAGE

Hortman moved that the House concur in the Senate amendments to H. F. No. 265 and that the bill be repassed as amended by the Senate.

Westrom moved that the House refuse to concur in the Senate amendments to H. F. No. 265, 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.

A roll call was requested and properly seconded.

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

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 Westrom motion and the roll was called.

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

There were 47 yeas and 78 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the Hortman motion that the House concur in the Senate amendments to H. F. No. 265 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 265, A bill for an act relating to disposition of items on death; clarifying certain references; providing for collection of certain property by affidavit; modifying provisions governing final disposition of remains; correcting an erroneous reference and making other corrections and clarifications; amending Minnesota Statutes 2008, sections 149A.80, subdivisions 1, 2; 524.1-304; 524.3-413; 524.3-1201; 524.3-1203, subdivision 5.

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

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

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

There were 78 yeas and 48 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The bill was repassed, as amended by the Senate, 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.

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. 348, A bill for an act relating to attorneys; modifying and removing provisions limiting the practice of law by deputy sheriffs and coroners; amending Minnesota Statutes 2008, section 387.13.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lesch moved that the House concur in the Senate amendments to H. F. No. 348 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 348, A bill for an act relating to attorneys; modifying and removing provisions limiting the practice of law by deputy sheriffs and coroners; amending Minnesota Statutes 2008, section 387.13.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Buesgens	Emmer	Hackbarth	Hoppe
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The bill was repassed, as amended by the Senate, and its title agreed to.

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. 818, A bill for an act relating to vulnerable adults; authorizing disclosure of financial records in connection with financial exploitation investigations; modifying procedures and duties for reporting and investigating maltreatment; specifying duties of financial institutions in cases alleging financial exploitation; modifying the crime of financial exploitation; imposing criminal and civil penalties; amending Minnesota Statutes 2008, sections 13A.02, subdivisions 1, 2; 13A.04, subdivision 1; 256B.0595, subdivisions 4, 9; 299A.61, subdivision 1; 388.23, subdivision 1; 609.2335; 609.52, subdivision 3; 611A.033; 626.557, subdivisions 4, 5, 9b, by adding subdivisions; 626.5572, subdivision 21; 628.26.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONCURRENCE AND REPASSAGE

Hilstrom moved that the House concur in the Senate amendments to H. F. No. 818 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 818, A bill for an act relating to vulnerable adults; authorizing disclosure of financial records in connection with financial exploitation investigations; modifying procedures and duties for reporting and investigating maltreatment; directing the commissioner of human services to seek federal grants; appropriating money received from the federal government to the commissioner of human services; specifying duties of financial institutions in cases alleging financial exploitation; modifying the crime of financial exploitation; imposing criminal and civil penalties; amending Minnesota Statutes 2008, sections 13A.02, subdivisions 1, 2; 13A.04, subdivision 1; 256B.0595, subdivisions 4, 9; 299A.61, subdivision 1; 388.23, subdivision 1; 609.2335; 609.52, subdivision 3; 611A.033; 626.557, subdivisions 4, 5, 9b, by adding subdivisions; 626.5572, subdivision 21; 628.26.

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

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

Those who voted in the affirmative were:

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

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

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. 1476, A bill for an act relating to liquor; modifying and clarifying certain licensing requirements; authorizing various licenses; modifying provision relating to shipments into the state; providing for wine tastings; extending certain on-sale hours; amending Minnesota Statutes 2008, sections 340A.101, by adding a subdivision; 340A.301, subdivision 4; 340A.315, subdivisions 2, 7; 340A.401; 340A.404, subdivisions 1, 4, 4a; 340A.412, subdivision 14; 340A.414, subdivision 1; 340A.417; 340A.419, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 340A.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONCURRENCE AND REPASSAGE

Atkins moved that the House concur in the Senate amendments to H. F. No. 1476 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1476, A bill for an act relating to liquor; modifying and clarifying certain licensing requirements; authorizing various licenses; modifying provision relating to shipments into the state; providing for wine tastings; extending certain on-sale hours; amending Minnesota Statutes 2008, sections 340A.101, by adding a subdivision; 340A.301, subdivision 4; 340A.315, subdivisions 2, 7; 340A.401; 340A.404, subdivisions 1, 4, 4a; 340A.412, subdivision 14; 340A.414, subdivision 1; 340A.417; 340A.419, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 340A.

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

The question was taken on the repassage of the bill and the roll was called. There were 115 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abeler	Brod	Eastlund	Huntley	Loon	Ruud
Anderson, B.	Doepke	Holberg	Lenczewski	Peppin	Scott

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

Madam Speaker:

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

S. F. No. 477.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 477

A bill for an act relating to solid waste; requiring a pilot program to be implemented by paint manufacturers to recycle paint; amending Minnesota Statutes 2008, section 13.7411, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 115A.

May 15, 2009

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 477 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 477 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 13.7411, subdivision 3, is amended to read:

Subd. 3. **Pollution Control Agency.** (a) Information held by the commissioner of the Pollution Control Agency that is trade secret or sales information is governed by section 115A.06, subdivision 13.

(b) Data submitted to the commissioner by paint manufacturers or their representative organization under section 115A.1333 are classified under that section.

Sec. 2. **[115A.1331] PAINT STEWARDSHIP PILOT PROGRAM.**

Subdivision 1. Definitions. (a) For purposes of sections 115A.1331 to 115A.1333, the following terms have the meanings given.

(b) "Architectural paint" means interior and exterior architectural coatings sold in containers of one quart or more, including paints and stains purchased for commercial or homeowner use, but does not include architectural coatings purchased for industrial or original equipment manufacturer use.

(c) "Distributor" means a company that has a contractual relationship with one or more manufacturers to market and sell architectural paint to retailers.

(d) "Manufacturer" means a manufacturer of architectural paint.

(e) "Paint stewardship assessment" means the amount included in the purchase price of architectural paint sold in Minnesota to implement the paint stewardship pilot program described in subdivision 2.

(f) "Postconsumer paint" means architectural paint not used by the purchaser.

(g) "Representative organization" means the nonprofit organization created by the manufacturers to implement the paint stewardship pilot program described in subdivision 2.

(h) "Retailer" means a person who sells architectural paint at retail.

Subd. 2. **Pilot program.** (a) Beginning September 1, 2009, manufacturers of architectural paint sold at retail must, through a representative organization, implement a statewide paint stewardship pilot program that minimizes public sector involvement in the management of postconsumer paint by reducing its generation, promoting its reuse and recycling, and negotiating and executing agreements to collect, transport, and process postconsumer paint for end-of-life management in an environmentally sound fashion. In developing the pilot program, manufacturers of architectural paint must consult with and consider the views of representatives of the Solid Waste Management Coordinating Board, the Association of Minnesota Counties, the Solid Waste Administrators Association, and household hazardous waste programs administered in both rural and metropolitan counties. The pilot program must include a funding mechanism whereby each architectural paint manufacturer remits to the representative organization payment of the paint stewardship assessment for each container of architectural paint it sells in this state. The paint stewardship assessment must be included in the cost of all architectural paint sold to Minnesota retailers and distributors, and each Minnesota retailer or distributor must include the assessment in the purchase price of all architectural paint sold in this state.

(b) To ensure that the funding mechanism is equitable and sustainable, a uniform paint stewardship assessment must be established for all architectural paint sold. The paint stewardship assessment may not exceed \$0.35 per container of architectural paint. The paint stewardship assessment must be reviewed by the commissioner and must not exceed the costs of the paint stewardship pilot program.

(c) Paint manufacturers or their representative organization shall provide Minnesota consumers with educational materials regarding the paint stewardship assessment and the paint stewardship pilot program in a manner designed to ensure that consumers are made aware that a provision for the operation of a paint stewardship program is included in the purchase price of all architectural paint sold in the state.

(d) Paint retailers may participate in the pilot program as paint collection points on a voluntary basis.

Sec. 3. **[115A.1332] CONDUCT AUTHORIZED.**

A manufacturer or organization of manufacturers that organizes collection, transport, and processing of postconsumer paint under section 115A.1331 is immune from liability for the conduct under state laws relating to antitrust, restraint of trade, unfair trade practices, and other regulation of trade or commerce only to the extent that the conduct is necessary to plan and implement its chosen organized collection or recycling system.

Sec. 4. **[115A.1333] REPORTS.**

(a) On October 15, 2010, manufacturers of architectural paint sold at retail in this state must, through a representative organization, submit a report to the commissioner describing the paint stewardship pilot program. At a minimum, the report must contain:

(1) a description of the methods used to collect, transport, and process postconsumer paint in all regions of Minnesota;

(2) the volume of postconsumer paint collected in all regions of Minnesota;

(3) the volume of postconsumer paint collected in Minnesota by method of disposition, including reuse, recycling, and other methods of processing;

(4) the total cost of implementing the pilot program as determined by an independent financial audit funded from the paint stewardship assessment;

(5) an evaluation of the operation of the program's funding mechanism;

(6) samples of educational materials provided to consumers of architectural paint and an evaluation of the methods used to disseminate those materials; and

(7) an analysis of the environmental costs and benefits of collecting and recycling latex paint.

(b) Data reported to the commissioner by a manufacturer or the representative organization of manufacturers is classified as nonpublic data, as defined in section 13.02, subdivision 9, except that the commissioner may release the data in summary form in which individual manufacturers, distributors, or retailers are not identified and from which neither their identities nor any other characteristics that could uniquely identify an individual manufacturer or retailer are ascertainable.

(c) By January 15, 2012, the commissioner shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives that have primary jurisdiction over solid waste policy describing the results of the paint stewardship pilot program and recommending whether it should be made permanent and any modifications to improve its functioning and efficiency. In preparing the report, the commissioner must consult with representatives of the Solid Waste Management Coordinating Board, the Association of Minnesota Counties, the Solid Waste Administrators Association, and household hazardous waste programs administered in both rural and metropolitan counties, and must include their views in the report. The report must include an estimate of the savings to state and local units of government compared with the costs of the program.

Sec. 5. **[115A.1334] EXPIRATION.**

Sections 115A.1331 to 115A.1334 expire June 30, 2012.

Sec. 6. **EFFECTIVE DATE.**

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

Delete the title and insert:

"A bill for an act relating to solid waste; requiring a pilot program to be implemented by paint manufacturers to recycle paint; amending Minnesota Statutes 2008, section 13.7411, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 115A."

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

Senate Conferees: JOHN DOLL, LINDA HIGGINS and DAVID HANN.

House Conferees: BRITA SAILER, STEVE SIMON and DENNY MCNAMARA.

Sailer moved that the report of the Conference Committee on S. F. No. 477 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 477, A bill for an act relating to solid waste; requiring a pilot program to be implemented by paint manufacturers to recycle paint; amending Minnesota Statutes 2008, section 13.7411, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 115A.

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 97 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abeler	Dill	Hilty	Liebling	Norton	Slocum
Anderson, P.	Doepke	Hoppe	Lieder	Obermueller	Solberg
Anzenc	Doty	Hornstein	Lillie	Olin	Sterner
Atkins	Eastlund	Hortman	Loeffler	Otremba	Swails
Beard	Eken	Hosch	Loon	Pelowski	Thao
Benson	Falk	Howes	Mariani	Persell	Thissen
Bigham	Faust	Huntley	Marquart	Peterson	Tillberry
Bly	Fritz	Jackson	Masin	Poppe	Urdahl
Brown	Gardner	Johnson	McFarlane	Reinert	Wagenius
Brynaert	Garofalo	Kahn	McNamara	Rosenthal	Ward
Bunn	Greiling	Kiffmeyer	Morgan	Rukavina	Winkler
Carlson	Gunther	Knuth	Morrow	Ruud	Spk. Kelliher
Clark	Hansen	Koenen	Mullery	Sailer	
Cornish	Hausman	Laine	Murphy, E.	Scalze	
Davids	Haws	Lanning	Murphy, M.	Sertich	
Davnie	Hayden	Lenczewski	Nelson	Simon	
Demmer	Hilstrom	Lesch	Newton	Slawik	

Those who voted in the negative were:

Anderson, B.	Dettmer	Hackbarth	Kohls	Sanders	Smith
Anderson, S.	Downey	Hamilton	Mack	Scott	Torkelson
Brod	Drazkowski	Holberg	Magnus	Seifert	Welti
Buesgens	Emmer	Kath	Nornes	Severson	Westrom
Dean	Gottwalt	Kelly	Peppin	Shimanski	Zellers

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

Madam Speaker:

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

S. F. No. 1147.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1147

A bill for an act relating to real property; modifying provisions governing orders to secure vacant property; specifying notice requirements; modifying provisions governing the reduced redemption period for abandoned property; establishing a duty to protect vacant foreclosed property under certain circumstances; providing for the imposition of fines for failure to maintain property; altering the posting requirement for trespassing on construction sites; modifying provisions governing public nuisances; imposing civil and criminal penalties; amending Minnesota Statutes 2008, sections 463.251, subdivisions 2, 3; 504B.151, subdivision 1; 504B.178, subdivision 8; 580.021, subdivision 1; 580.04; 580.041, subdivision 1a; 580.042, subdivision 1; 582.031; 582.032, subdivisions 2, 4, 5; 609.605, subdivision 1; 617.80, subdivision 7, by adding a subdivision; 617.81, subdivisions 2, 4.

May 15, 2009

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1147 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. No. 1147 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 463.251, subdivision 2, is amended to read:

Subd. 2. **Order; notice.** (a) If in any city a building becomes vacant or unoccupied and is deemed hazardous due to the fact that the building is open to trespass and has not been secured and the building could be made safe by securing the building, the governing body may order the building secured and shall cause notice of the order to be served upon the owner of record of the premises or the owner's agent, the taxpayer identified in the property tax records for that parcel, the holder of the mortgage or sheriff's certificate, and any neighborhood association for the neighborhood in which the building is located that has requested notice, by delivering or mailing a copy to the owner or agent, the identified taxpayer, the holder of the mortgage or sheriff's certificate, and the neighborhood association, at the last known address. Service by mail is complete upon mailing.

(b) The notice under this subdivision must include a statement that:

(1) informs the owner and the holder of any mortgage or sheriff's certificate of the requirements of subdivision 3 and that costs may be assessed against the property if the person does not secure the building;

(2) informs the owner and the holder of any mortgage or sheriff's certificate that the person may request a hearing before the governing body challenging the governing body's determination that the property is vacant or unoccupied and hazardous; and

(3) notifies the holder of any sheriff's certificate of the holder's duty under section 582.031, subdivision 1, paragraph (b), to enter the premises to protect the premises from waste and trespass if the order is not challenged or set aside and there is prima facie evidence of abandonment of the property as described in section 582.032, subdivision 7.

Sec. 2. Minnesota Statutes 2008, section 463.251, subdivision 3, is amended to read:

Subd. 3. **Securing building by city; lien.** If the owner of the building or a holder of the sheriff's certificate of sale fails to either comply or provide to the governing body a reasonable plan and schedule to comply with an order issued under subdivision 2 or to request a hearing on the order within ~~six~~ 14 days after the order is served, the governing body shall cause the building to be properly secured and the cost of securing the building may be charged against the real estate as provided in section 463.21. In the metropolitan area, as defined in section 473.121, subdivision 2, the governing body may work with neighborhood associations to develop and implement plans to secure vacant buildings in a timely and cost-effective fashion. The city may use rehabilitation and revitalization funds in implementing this section.

Sec. 3. Minnesota Statutes 2008, section 504B.151, subdivision 1, is amended to read:

Subdivision 1. **Limitation on lease and notice to tenant.** (a) Once a landlord has received notice of a contract for deed cancellation under section 559.21 or notice of a mortgage foreclosure sale under chapter 580 or 582, or summons and complaint under chapter 581, the landlord may only enter into (i) a periodic residential lease agreement with a term of not more than two months or the time remaining in the contract cancellation period or the mortgagor's redemption period, whichever is less or (ii) a fixed term residential tenancy not extending beyond the cancellation period or the landlord's period of redemption until:

- (1) the contract for deed has been reinstated or paid in full;
- (2) the mortgage default has been cured and the mortgage reinstated;
- (3) the mortgage has been satisfied;
- (4) the property has been redeemed from a foreclosure sale; or
- (5) a receiver has been appointed.

(b) Before entering into a lease under this section and accepting any rent or security deposit from a tenant, the landlord must notify the prospective tenant in writing that the landlord has received notice of a contract for deed cancellation or notice of a mortgage foreclosure sale as appropriate, and the date on which the contract cancellation period or the mortgagor's redemption period ends.

(c) This section does not apply to a manufactured home park as defined in section 327C.01, subdivision 5.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to leases entered into on or after that date.

Sec. 4. Minnesota Statutes 2008, section 504B.178, subdivision 8, is amended to read:

Subd. 8. **Withholding rent.** No tenant may withhold payment of all or any portion of rent for the last payment period of a residential rental agreement, except an oral or written month to month residential rental agreement concerning which neither the tenant nor landlord has served a notice to quit, or for the last month of a contract for deed cancellation period under section 559.21 or a mortgage foreclosure redemption period under chapter 580, 581, or 582, on the grounds that the deposit should serve as payment for the rent. Withholding all or any portion of rent

for the last payment period of the residential rental agreement creates a rebuttable presumption that the tenant withheld the last payment on the grounds that the deposit should serve as payment for the rent. Any tenant who remains in violation of this subdivision after written demand and notice of this subdivision shall be liable to the landlord for the following:

(1) a penalty in an amount equal to the portion of the deposit which the landlord is entitled to withhold under subdivision 3 other than to remedy the tenant's default in the payment of rent; and

(2) interest on the whole deposit as provided in subdivision 2, in addition to the amount of rent withheld by the tenant in violation of this subdivision.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to cancellations of contracts for deed in which the notice of cancellation is first served or published on or after August 1, 2009, and mortgage foreclosures under chapter 581 in which the lis pendens is recorded on or after August 1, 2009.

Sec. 5. Minnesota Statutes 2008, section 580.021, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to foreclosure of mortgages by advertisement under this chapter and foreclosure of mortgages by action under 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~~ when the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded.

EFFECTIVE DATE. This section is effective for foreclosures in which the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded on or after August 1, 2009.

Sec. 6. Minnesota Statutes 2008, section 580.04, is amended to read:

580.04 REQUISITES OF NOTICE.

Each notice shall specify or contain:

(1) the name of the mortgagor, the mortgagee, each assignee of the mortgage, if any, and the original or maximum principal amount secured by the mortgage;

(2) the date of the mortgage, and when and where recorded, except where the mortgage is upon registered land, in which case the notice shall state that fact, and when and where registered;

(3) the amount claimed to be due on the mortgage on the date of the notice;

(4) a description of the mortgaged premises, conforming substantially to that contained in the mortgage, and the commonly used street address of the mortgaged premises;

(5) the time and place of sale;

(6) the time allowed by law for redemption by the mortgagor, the mortgagor's personal representatives or assigns; and

(7) ~~if the party foreclosing the mortgage desires to preserve the right to reduce the redemption period under section 582.032 after the first publication of the notice, the notice must also state for mortgaged premises described in section 582.032, subdivision 1, the following statement in capital letters: "THE TIME ALLOWED BY LAW FOR REDEMPTION BY THE MORTGAGOR, THE MORTGAGOR'S PERSONAL REPRESENTATIVES OR~~

ASSIGNS, MAY BE REDUCED TO FIVE WEEKS IF A JUDICIAL ORDER IS ENTERED UNDER MINNESOTA STATUTES, SECTION 582.032, DETERMINING, AMONG OTHER THINGS, THAT THE MORTGAGED PREMISES ARE IMPROVED WITH A RESIDENTIAL DWELLING OF LESS THAN FIVE UNITS, ARE NOT PROPERTY USED IN AGRICULTURAL PRODUCTION, AND ARE ABANDONED."

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to notices of sale first published on or after that date.

Sec. 7. Minnesota Statutes 2008, section 580.041, subdivision 1a, is amended to read:

Subd. 1a. **Applicability.** This section applies to foreclosure of mortgages by advertisement under this chapter and foreclosure of mortgages by action under 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 on the owner~~ when the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded.

EFFECTIVE DATE. This section is effective for foreclosures in which the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded on or after August 1, 2009.

Sec. 8. Minnesota Statutes 2008, section 580.042, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** This section applies to foreclosure of mortgages by advertisement under this chapter and foreclosure of mortgages by action under chapter 581 on property consisting of one to four family dwelling units, one or more of which are occupied by a tenant as a residence.

EFFECTIVE DATE. This section is effective for foreclosures in which the notice of pendency under section 580.032 or the lis pendens for a foreclosure under chapter 581 is recorded on or after August 1, 2009.

Sec. 9. Minnesota Statutes 2008, section 582.031, is amended to read:

582.031 LIMITED RIGHT OF ENTRY; DUTY TO ENTER AND PROTECT PREMISES.

Subdivision 1. **Right of entry.** (a) If premises described in a mortgage or sheriff's certificate are vacant or unoccupied, the holder of the mortgage or sheriff's certificate or the holder's agents and contractors may, ~~but is under no obligation to,~~ enter upon the premises to protect the premises from waste and trespass, until the holder of the mortgage or sheriff's certificate receives notice that the premises are occupied. The holder of the mortgage or sheriff's certificate does not become a mortgagee in possession by taking actions authorized or required under this section. An affidavit of the sheriff, the building or housing regulatory authority of a municipality in which the property is located, the holder of the mortgage or sheriff's certificate, or a person acting on behalf of the holder, describing the premises and stating that the same are vacant or unoccupied, is prima facie evidence of the facts stated in the affidavit and is entitled to be recorded in the office of the county recorder or the registrar of titles in the county where the premises are located, if it contains a legal description of the premises.

(b) If the holder of a sheriff's certificate knows that there is prima facie evidence of abandonment of the property, as described in section 582.032, subdivision 7, clauses (1) to (6), the holder or the holder's agents:

(1) shall enter the premises and make reasonable periodic inspections, install or change the locks on all doors, install locks on all windows that do not have locks, and ensure that any existing window locks are functioning properly; and

(2) may, to protect the premises from waste, trespass, or falling below minimum community standards for public safety and sanitation, enter the premises and board windows, doors, and other openings; install and operate an alarm system; and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activity.

(c) Upon an installation or change of locks as required by this section, the holder of a sheriff's certificate must deliver a key to the premises to the mortgagor or any person lawfully claiming through the mortgagor, upon request.

Subd. 2. **Authorized actions.** The holder of the mortgage or sheriff's certificate may take the following actions to protect the premises from waste, trespass, or from falling below minimum community standards for public safety and sanitation: make reasonable periodic inspections; install or change locks on doors and windows; board windows, doors, and other openings; install and operate an alarm system; and otherwise prevent or minimize damage to the premises from the elements, vandalism, trespass, or other illegal activities. If the holder of the mortgage or sheriff's certificate installs or changes locks under this section, a key to the premises must be promptly delivered to the mortgagor or any person lawfully claiming through the mortgagor, upon request.

Subd. 3. **Costs.** All costs incurred by the holder of the mortgage or sheriff's certificate to protect the premises from waste or trespass or from falling below minimum community standards for public safety and sanitation may be added to the principal balance of the mortgage or the costs allowable upon redemption. The costs may bear interest to the extent provided in the mortgage and may be added to the redemption price if the costs are incurred after a foreclosure sale. If the costs are incurred after a foreclosure sale, the holder of any sheriff's certificate of sale or certificate of redemption must comply with the provisions of section 582.03. The provisions of this section are in addition to, and do not limit or replace, any other rights or remedies available to holders of mortgages and sheriff's certificates, at law or under the applicable mortgage agreements.

Sec. 10. Minnesota Statutes 2008, section 582.032, subdivision 2, is amended to read:

Subd. 2. **Before foreclosure sale.** Notwithstanding section 580.23 or 581.10, if at any time before the foreclosure sale but not more than 30 days before the first publication of the notice of sale, a court order is entered reducing the mortgagor's redemption period to five weeks under subdivision 7, after the mortgaged premises have been sold as provided in chapter 580 or 581, the mortgagor, and the mortgagor's personal representatives or assigns, within five weeks after the sale under chapter 580, or within five weeks after the date of the order confirming the sale under chapter 581, may redeem the mortgaged premises as provided in section 580.23, subdivision 1, or 581.10, as applicable. ~~If an order is obtained after the first publication of the notice of sale, the five-week redemption period applies only if the notice of sale contained the statement required by section 580.04, clause (7).~~

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to foreclosures for which the notice of sale is first published on or after that date.

Sec. 11. Minnesota Statutes 2008, section 582.032, subdivision 4, is amended to read:

Subd. 4. **Summons and complaint.** In a foreclosure by advertisement, the party foreclosing a mortgage or holding the sheriff's certificate of sale or the political subdivision in which the mortgaged premises are located may initiate a proceeding in district court to reduce the mortgagor's redemption period under this section. The proceeding must be initiated by the filing of a complaint, naming the mortgagor, or the mortgagor's personal representatives or assigns of record, as defendant, in district court for the county in which the mortgaged premises are located. If the proceeding is initiated by a political subdivision, the party foreclosing the mortgage or holding the sheriff's certificate of sale must also be named as a defendant, and the summons and complaint shall be delivered by certified mail to the foreclosing attorney. If the proceeding is commenced after the foreclosure sale, the holders of junior liens and interests entitled to notice under subdivision 3 must also be named as defendants. The complaint must identify the mortgaged premises by legal description and must identify the mortgage by the names of the mortgagor and mortgagee, and any assignee of the mortgagee; the date of its making; and pertinent recording information. The complaint must allege that the mortgaged premises are:

(1) ten acres or less in size;

(2) improved with a residential dwelling consisting of less than five units, which is not a model home or a dwelling under construction;

(3) not property used in agricultural production; and

(4) abandoned.

The complaint must request an order reducing the mortgagor's redemption period to five weeks. When the complaint has been filed, the court shall issue a summons commanding the person or persons named in the complaint to appear before the court on a day and at a place stated in the summons. The appearance date shall be not less than 15 nor more than 25 days from the date of the issuing of the summons. A copy of the filed complaint must be attached to the summons.

Sec. 12. Minnesota Statutes 2008, section 582.032, subdivision 5, is amended to read:

Subd. 5. **Order to show cause.** In a foreclosure by action, the plaintiff or the holder of the sheriff's certificate may make a motion to reduce the mortgagor's redemption period under this section. The political subdivision in which the mortgaged premises are located may intervene in the action and make a motion to reduce the redemption period. The motion must conform generally to the pleading requirements provided in subdivision 4. For purposes of the motion, the court has continuing jurisdiction over the parties and the mortgaged premises through the expiration of the redemption period. When the motion has been filed, the court shall issue an order to show cause commanding the parties it considers appropriate to appear before the court on a day and at a place stated in the order. The appearance date may not be less than 15 nor more than 25 days after the date of the order to show cause. A copy of the motion must be attached to the order to show cause.

Sec. 13. Minnesota Statutes 2008, section 582.032, subdivision 7, is amended to read:

Subd. 7. **Hearing; evidence; order.** At the hearing on the summons and complaint or order to show cause, the court shall enter an order reducing the mortgagor's redemption period as provided in subdivision 2 or 3, as applicable, if evidence is presented supporting the allegations in the complaint or motion and no appearance is made to oppose the relief sought. An affidavit by the sheriff or a deputy sheriff of the county in which the mortgaged premises are located, or of a building inspector, zoning administrator, housing official, or other municipal or county official having jurisdiction over the mortgaged premises, stating that the mortgaged premises are not actually occupied and further setting forth any of the following supporting facts, is prima facie evidence of abandonment:

(1) windows or entrances to the premises are boarded up or closed off, or multiple window panes are broken and unrepaired;

(2) doors to the premises are smashed through, broken off, unhinged, or continuously unlocked;

(3) gas, electric, or water service to the premises has been terminated;

(4) rubbish, trash, or debris has accumulated on the mortgaged premises;

(5) the police or sheriff's office has received at least two reports of trespassers on the premises, or of vandalism or other illegal acts being committed on the premises; or

(6) the premises are deteriorating and are either below or are in imminent danger of falling below minimum community standards for public safety and sanitation.

An affidavit of the party foreclosing the mortgage or holding the sheriff's certificate, or one of their agents or contractors, stating any of the above supporting facts, and that the affiant has changed locks on the mortgaged premises under section 582.031 and that for a period of ten days no party having a legal possessory right has requested entrance to the premises, is also prima facie evidence of abandonment. Either affidavit described above, or an affidavit from any other person having knowledge, may state facts supporting any other allegations in the complaint or motion and is prima facie evidence of the same. Written statements of the mortgagor, the mortgagor's personal representatives or assigns, including documents of conveyance, which indicate a clear intent to abandon the premises, are conclusive evidence of abandonment. In the absence of affidavits or written statements, or if rebuttal evidence is offered by the defendant or a party lawfully claiming through the defendant, the court may consider any competent evidence, including oral testimony, concerning any allegation in the complaint or motion. A defendant's failure to appear at the hearing after service of process in compliance with subdivision 6 is conclusive evidence of abandonment by the defendant, subject to vacation under Rule 60.02 of the Minnesota Rules of Civil Procedure. An order entered under this section must contain a legal description of the mortgaged premises.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to orders issued before, on, or after the effective date.

Sec. 14. Minnesota Statutes 2008, section 609.605, subdivision 1, is amended to read:

Subdivision 1. **Misdemeanor.** (a) The following terms have the meanings given them for purposes of this section.

(1) "Premises" means real property and any appurtenant building or structure.

(2) "Dwelling" means the building or part of a building used by an individual as a place of residence on either a full-time or a part-time basis. A dwelling may be part of a multidwelling or multipurpose building, or a manufactured home as defined in section 168.002, subdivision 16.

(3) "Construction site" means the site of the construction, alteration, painting, or repair of a building or structure.

(4) "Owner or lawful possessor," as used in paragraph (b), clause (9), means the person on whose behalf a building or dwelling is being constructed, altered, painted, or repaired and the general contractor or subcontractor engaged in that work.

(5) "Posted," as used:

(i) in paragraph (b), clause (4), means the placement of a sign at least 8-1/2 inches by 11 inches in a conspicuous place on the exterior of the building, or in a conspicuous place within the property on which the building is located. The sign must carry a general notice warning against trespass;

(ii) in paragraph (b), clause (9), means the placement of a sign at least 8-1/2 inches by 11 inches square in a conspicuous place on the exterior of the building that is under construction, alteration, or repair, and additional signs in at least two conspicuous places for each ten acres being protected, or in a conspicuous place within the area being protected. If the area being protected is less than three acres, one additional sign must be conspicuously placed within that area. If the area being protected is three acres but less than ten acres, two additional signs must be conspicuously placed within that area. For each additional full ten acres of area being protected beyond the first ten acres of area, two additional signs must be conspicuously placed within the area being protected. The sign must carry an appropriate a general notice and the name of the person giving the notice, followed by the word "owner" if the person giving the notice is the holder of legal title to the land on which the construction site is located or by the word "occupant" if the person giving the notice is not the holder of legal title but is a lawful occupant of the land warning against trespass; and

(ii) (iii) in paragraph (b), clause (10), means the placement of signs that:

(A) state "~~no trespassing~~" or ~~similar terms~~ carry a general notice warning against trespass;

(B) display letters at least two inches high;

(C) state that Minnesota law prohibits trespassing on the property; and

(D) are posted in a conspicuous place and at intervals of 500 feet or less.

(6) "Business licensee," as used in paragraph (b), clause (9), includes a representative of a building trades labor or management organization.

(7) "Building" has the meaning given in section 609.581, subdivision 2.

(b) A person is guilty of a misdemeanor if the person intentionally:

(1) permits domestic animals or fowls under the actor's control to go on the land of another within a city;

(2) interferes unlawfully with a monument, sign, or pointer erected or marked to designate a point of a boundary, line or a political subdivision, or of a tract of land;

(3) trespasses on the premises of another and, without claim of right, refuses to depart from the premises on demand of the lawful possessor;

(4) occupies or enters the dwelling or locked or posted building of another, without claim of right or consent of the owner or the consent of one who has the right to give consent, except in an emergency situation;

(5) enters the premises of another with intent to take or injure any fruit, fruit trees, or vegetables growing on the premises, without the permission of the owner or occupant;

(6) enters or is found on the premises of a public or private cemetery without authorization during hours the cemetery is posted as closed to the public;

(7) returns to the property of another with the intent to abuse, disturb, or cause distress in or threaten another, after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(8) returns to the property of another within one year after being told to leave the property and not to return, if the actor is without claim of right to the property or consent of one with authority to consent;

(9) enters the locked or posted construction site of another without the consent of the owner or lawful possessor, unless the person is a business licensee; or

(10) enters the locked or posted aggregate mining site of another without the consent of the owner or lawful possessor, unless the person is a business licensee.

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

Sec. 15. Minnesota Statutes 2008, section 617.80, subdivision 7, is amended to read:

Subd. 7. **Owner.** "Owner," for purposes of sections 617.80 to 617.87, means ~~the person in whose name the building or affected portion is recorded with the county auditor for taxation purposes.~~ a person having legal title to the premises, a mortgagee or vendee in possession, a trustee in bankruptcy, a receiver, or any other person having legal ownership or control of the premises.

Sec. 16. Minnesota Statutes 2008, section 617.80, is amended by adding a subdivision to read:

Subd. 7a. **Occupant.** "Occupant" means a person who occupies or resides in a building or rental unit with the permission of the owner or a tenant or lessee.

Sec. 17. Minnesota Statutes 2008, section 617.81, subdivision 2, is amended to read:

Subd. 2. **Acts constituting a nuisance.** (a) For purposes of sections 617.80 to 617.87, a public nuisance exists (1) upon proof of one or more separate behavioral incidents described in item (i), (v), ~~or (viii)~~, or (ix), or (2) upon proof of two or more separate behavioral incidents described in item (ii), (iii), (iv), (vi), (vii), or ~~(ix)~~ (x), committed within the previous 12 months within the building:

- (i) prostitution or prostitution-related activity committed within the building;
- (ii) gambling or gambling-related activity committed within the building;
- (iii) maintaining a public nuisance in violation of section 609.74, clause (1) or (3);
- (iv) permitting a public nuisance in violation of section 609.745;
- (v) unlawful sale, possession, storage, delivery, giving, manufacture, cultivation, or use of controlled substances committed within the building;
- (vi) unlicensed sales of alcoholic beverages committed within the building in violation of section 340A.401;
- (vii) unlawful sales or gifts of alcoholic beverages by an unlicensed person committed within the building in violation of section 340A.503, subdivision 2, clause (1);
- (viii) unlawful sales or gifts of alcoholic beverages committed within the building in violation of section 340A.401 or 340A.503, subdivision 2, clause (1), if multiple violations occur during the same behavioral incident when the building is not occupied by the owner or a tenant, lessee, or occupant;
- (ix) unlawful use or possession of a dangerous weapon as defined in section 609.02, subdivision 6, committed within the building; or
- ~~(ix)~~ (x) violation by a commercial enterprise of local or state business licensing regulations, ordinances, or statutes prohibiting the maintenance of a public nuisance as defined in section 609.74 or the control of a public nuisance as defined in section 609.745.

(b) If the building contains more than one rental unit, two or more behavioral incidents must consist of conduct:

- (1) anywhere in the building by the same tenant ~~or~~ lessee, occupant, or persons acting in conjunction with or under the control of the same tenant ~~or~~ lessee, or occupant;
- (2) by any persons within the same rental unit while occupied by the same tenant ~~or~~ lessee, or occupant, or within two or more rental units while occupied by the same tenant ~~or~~ lessee, or occupant; or

(3) by the owner of the building or persons acting in conjunction with or under the control of the owner.

(c) Proof of a nuisance exists if each of the elements of the conduct constituting the nuisance is established by clear and convincing evidence.

Sec. 18. Minnesota Statutes 2008, section 617.81, subdivision 4, is amended to read:

Subd. 4. **Notice.** (a) If a prosecuting attorney has reason to believe that a nuisance is maintained or permitted in the jurisdiction the prosecuting attorney serves, and intends to seek abatement of the nuisance, the prosecuting attorney shall provide the written notice described in paragraph (b), by personal service or certified mail, return receipt requested, to ~~the owner~~ all owners and ~~all~~ interested parties known to the prosecuting attorney.

(b) The written notice must:

(1) state that a nuisance as defined in subdivision 2 is maintained or permitted in the building and must specify the kind or kinds of nuisance being maintained or permitted;

(2) summarize the evidence that a nuisance is maintained or permitted in the building, including the date or dates on which nuisance-related activity or activities are alleged to have occurred;

(3) inform the recipient that failure to abate the conduct constituting the nuisance or to otherwise resolve the matter with the prosecuting attorney within 30 days of service of the notice may result in the filing of a complaint for relief in district court that could, among other remedies, result in enjoining the use of the building for any purpose for one year or, in the case of a tenant, lessee, or occupant, could result in cancellation of the lease; and

(4) inform the owner of the options available under section 617.85."

Delete the title and insert:

"A bill for an act relating to real property; modifying provisions governing orders to secure vacant property; specifying notice requirements; modifying provisions governing the reduced redemption period for abandoned property; establishing a duty to protect vacant foreclosed property under certain circumstances; providing for the imposition of fines for failure to maintain property; altering the posting requirement for trespassing on construction sites; modifying provisions governing public nuisances; imposing civil and criminal penalties; amending Minnesota Statutes 2008, sections 463.251, subdivisions 2, 3; 504B.151, subdivision 1; 504B.178, subdivision 8; 580.021, subdivision 1; 580.04; 580.041, subdivision 1a; 580.042, subdivision 1; 582.031; 582.032, subdivisions 2, 4, 5, 7; 609.605, subdivision 1; 617.80, subdivision 7, by adding a subdivision; 617.81, subdivisions 2, 4."

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

Senate Conferees: LINDA HIGGINS and LINDA SCHEID.

House Conferees: JEFF HAYDEN, JOE MULLERY and MARY LIZ HOLBERG.

Hayden moved that the report of the Conference Committee on S. F. No. 1147 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1147, A bill for an act relating to real property; modifying provisions governing orders to secure vacant property; specifying notice requirements; modifying provisions governing the reduced redemption period for abandoned property; establishing a duty to protect vacant foreclosed property under certain circumstances; providing for the imposition of fines for failure to maintain property; altering the posting requirement for trespassing on construction sites; modifying provisions governing public nuisances; imposing civil and criminal penalties;

amending Minnesota Statutes 2008, sections 463.251, subdivisions 2, 3; 504B.151, subdivision 1; 504B.178, subdivision 8; 580.021, subdivision 1; 580.04; 580.041, subdivision 1a; 580.042, subdivision 1; 582.031; 582.032, subdivisions 2, 4, 5; 609.605, subdivision 1; 617.80, subdivision 7, by adding a subdivision; 617.81, subdivisions 2, 4.

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 101 yeas and 26 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Demmer	Gottwalt	Kelly	Seifert	Zellers
Anderson, P.	Dettmer	Gunther	Magnus	Shimanski	
Beard	Drazkowski	Hackbarth	Morgan	Swails	
Buesgens	Emmer	Hamilton	Peppin	Torkelson	
Bunn	Garofalo	Hoppe	Scott	Westrom	

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

Madam Speaker:

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

S. F. No. 489.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 489

A bill for an act relating to reverse mortgages; eliminating the requirement that a reverse mortgage becomes due when committed principal has been fully paid; mandating counseling by an independent housing agency; regulating lender default; imposing liability on a subsequent purchaser of a reverse mortgage; providing for a right of rescission; defining suitability; amending Minnesota Statutes 2008, section 47.58, subdivisions 1, 3, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 58; 60A; 60K.

May 15, 2009

The Honorable James P. Metzen
President of the Senate

The Honorable Margaret Anderson Kelliher
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 489 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 489 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2008, section 47.58, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Reverse mortgage loan" means a loan:

(1) Made to a borrower wherein the committed principal amount is paid to the borrower in equal or unequal installments over a period of months or years, interest is assessed, and authorized closing costs are incurred as specified in the loan agreement;

(2) Which is secured by a mortgage on residential property owned solely by the borrower; and

(3) Which is due ~~when the committed principal amount has been fully paid to the borrower, or~~ upon sale of the property securing the loan, or upon the death of the last surviving borrower, or upon the borrower terminating use of the property as principal residence so as to disqualify the property from the homestead credit given in chapter 290A.

(b) "Lender" means any bank subject to chapter 48, credit union subject to chapter 52, savings bank organized and operated pursuant to chapter 50, savings association subject to chapter 51A, or any insurance company as defined in section 60A.02, subdivision 4. "Lender" also includes any federally chartered bank supervised by the comptroller of the currency or federally chartered savings association supervised by the Federal Home Loan Bank Board or federally chartered credit union supervised by the National Credit Union Administration, to the extent permitted by federal law.

(c) "Borrower" includes any natural person holding an interest in severalty or as joint tenant or tenant-in-common in the property securing a reverse mortgage loan.

(d) "Outstanding loan balance" means the current net amount of money owed by the borrower to the lender whether or not that sum is suspended pursuant to the terms of the reverse mortgage loan agreement or is immediately due and payable. The outstanding loan balance is calculated by adding the current totals of the items described in clauses (1) to (5) and subtracting the current totals of the item described in clause (6):

(1) The sum of all payments made by the lender which are necessary to clear the property securing the loan of any outstanding mortgage encumbrance or mechanics or material supplier's lien.

(2) The total disbursements made by the lender to date pursuant to the loan agreement as formulated in accordance with subdivision 3.

(3) All taxes, assessments, insurance premiums and other similar charges paid to date by the lender pursuant to subdivision 6, which charges were not reimbursed by the borrower within 60 days.

(4) All actual closing costs which the borrower has deferred, if a deferral provision is contained in the loan agreement as authorized by subdivision 7.

(5) The total accrued interest to date, as authorized by subdivision 5.

(6) All payments made by the borrower pursuant to subdivision 4.

(e) "Actual closing costs" mean reasonable charges or sums ordinarily paid at the time of closing for the following, whether or not retained by the lender:

(1) Any insurance premiums on policies covering the mortgaged property including but not limited to premiums for title insurance, fire and extended coverage insurance, flood insurance, and private mortgage insurance.

(2) Abstracting, title examination and search, and examination of public records related to the mortgaged property.

(3) The preparation and recording of any or all documents required by law or custom for closing a reverse mortgage loan agreement.

(4) Appraisal and survey of real property securing a reverse mortgage loan.

(5) A single service charge, which service charge shall include any consideration, not otherwise specified in this section as an "actual closing cost," paid by the borrower to the lender for or in relation to the acquisition, making, refinancing or modification of a reverse mortgage loan, and shall also include any consideration received by the lender for making a commitment for a reverse mortgage loan, whether or not an actual loan follows the commitment. The service charge shall not exceed one percent of the bona fide committed principal amount of the reverse mortgage loan.

(6) Charges and fees necessary for or related to the transfer of real property securing a reverse mortgage loan or the closing of a reverse mortgage loan agreement paid by the borrower and received by any party other than the lender.

Sec. 2. Minnesota Statutes 2008, section 47.58, subdivision 3, is amended to read:

Subd. 3. **Payment; repayment; amount.** The committed principal amount of a reverse mortgage loan shall be paid to the borrower over the period of months or years as specified in the loan agreement. The borrower and lender may, by written agreement, amend the loan agreement from time to time. Pursuant to the terms of the contract the borrower shall make repayment to the lender:

(a) upon ~~payment to the borrower of the final installment unless, by written agreement between the borrower and lender whereunder the borrower agrees to periodically pay the lender interest accruing on the outstanding loan balance, repayment of the outstanding loan balance is postponed until default in payment of interest or until the occurrence of any of the events specified in clauses (b) (1) to (e) (4);~~

~~(b)~~ (1) upon sale of the property securing the loan;

~~(c)~~ (2) upon the death of the last surviving borrower;

~~(d)~~ (3) upon the borrower terminating use of the property as principal residence so as to disqualify the property from homestead classification under section 273.13; or

~~(e)~~ (4) upon renegotiation of the terms of the reverse mortgage loan agreement, unless the parties agree in writing to postpone repayment.

Except as otherwise provided in this subdivision, the outstanding loan balance as projected by the lender to the anticipated time of payment to the borrower of the final installment of committed principal shall not exceed 80 percent of the appraised value of the property at inception of the loan. If upon reappraisal of the property made at any time during the term of the loan, the projected outstanding loan balance does not exceed 70 percent of the reappraised value of the property, the schedule of the lender's installment payments may be extended and the amount of the committed principal amount increased, provided the revised outstanding loan balance at payment of the lender's final installment of committed principal does not exceed 80 percent of the reappraised value of the property.

Sec. 3. Minnesota Statutes 2008, section 47.58, subdivision 8, is amended to read:

Subd. 8. **Counseling; requirement; penalty.** ~~A lender, mortgage banking company, or other mortgage lender not related to the mortgagor must keep a certificate on file documenting that the borrower, prior to entering into the reverse mortgage loan, received counseling as defined in this subdivision from an organization that meets the requirements of section 462A.209 and is a~~ Prior to accepting a final and complete application for a reverse mortgage loan or assessing any fees, a lender must:

(1) refer the prospective borrower to an independent housing counseling agency approved by the United States Department of Housing and Urban Development. The certificate must for reverse mortgage counseling. The lender shall provide the prospective borrower with a list of at least three independent housing counseling agencies approved by the United States Department of Housing and Urban Development. The lender shall positively promote the benefits of reverse mortgage counseling to the potential borrower; and

(2) receive a certification from the applicant or the applicant's authorized representative that the applicant has received counseling as defined in this subdivision from an independent counseling agency as described in clause (1). The certification must be signed by the mortgagor applicant and the counselor from the independent agency and must include the date of the counseling, and the name, address, and telephone number of both the mortgagor and the organization providing counseling. counselor from the independent agency and the applicant. The lender shall maintain the certification in an accurate, reproducible, and accessible format for the term of the reverse mortgage. A failure by the lender to comply with this subdivision results in a \$1,000 civil penalty payable to the mortgagor borrower. For the purposes of this subdivision, "counseling" means that during a session, which must be no less than 60 minutes, the following services are provided to the borrower:

~~(1)~~ (i) a review of the advantages and disadvantages of reverse mortgage programs;

~~(2)~~ an explanation of how the reverse mortgage affects the borrower's estate and public benefits;

~~(3)~~ an explanation of the lending process;

~~(4)~~ a discussion of the borrower's supplemental income needs; and

~~(5)~~ an opportunity to ask questions of the counselor.

(ii) a discussion of the borrower's finances, assets, liabilities, expenses, and income needs and a review of options other than a reverse mortgage loan that are available to the borrower, including other housing, social services, health, and financial options;

(iii) a review of other home equity conversion or other loan options that are or may become available to the borrower;

(iv) an explanation of the financial implication of entering into a reverse mortgage loan, including the costs of the loan;

(v) an explanation that a reverse mortgage loan may have tax consequences, affect eligibility for assistance under federal and state programs, and have an impact on the estate and heirs of the borrower;

(vi) an explanation of the lending process; and

(vii) an opportunity for the borrower to ask questions of the counselor.

Sec. 4. Minnesota Statutes 2008, section 47.58, is amended by adding a subdivision to read:

Subd. 9. **Lender default; forfeiture.** A lender who fails to make loan advances as required in the loan documents, and fails to cure an actual default after notice as specified in the loan documents, shall forfeit any right to repayment of the outstanding loan balance with respect to a mortgage that is not federally insured. Any mortgage that is not federally insured securing a reverse mortgage agreement in which a forfeiture has occurred pursuant to this subdivision may be declared null and void by a court of competent jurisdiction.

Sec. 5. Minnesota Statutes 2008, section 47.58, is amended by adding a subdivision to read:

Subd. 10. **Right of rescission.** (a) The borrower may rescind any reverse mortgage within ten days of execution by providing written notice to the lender. The effects of a rescission shall be the same as provided in Code of Federal Regulations, Regulation Z, title 12, section 226.23. Any mortgage originated in connection with a reverse mortgage loan is null and void upon rescission. Within ten days of receipt of the written notice of rescission, the lender shall provide the borrower a written notice of acknowledgment that the mortgage is null and void and a satisfaction of mortgage.

(b) The lender shall provide the borrower with the following notice, which must be on a separate piece of paper and in at least ten-point type, between 24 to 72 hours prior to execution of the reverse mortgage:

"You are entitled to rescind (cancel) this reverse mortgage transaction for any reason within ten days from the day you execute the reverse mortgage documents. The rescission must be in writing and sent by certified mail to the lender at the address stated in this document."

(c) Notice of rescission is effective when the borrower deposits a certified letter properly addressed and postage prepaid in the mailbox.

(d) A notice of rescission given by the borrower need not take a particular form and is sufficient if it indicates by any form of written expression the intention of the borrower not to be bound by the reverse mortgage transaction.

(e) No act of the borrower is effective to waive the right to rescind as provided in this section.

Sec. 6. Minnesota Statutes 2008, section 47.58, is amended by adding a subdivision to read:

Subd. 11. **Suitability.** Prior to referring a prospective borrower for counseling under subdivision 8, a lender must have reasonable grounds for believing that a reverse mortgage loan is suitable for the borrower and must make reasonable inquiries to determine suitability. Suitability for a reverse mortgage loan will be determined by reference to the totality of the particular borrower's circumstances, including, but not limited to, the borrower's income, age, assets, the costs and benefits of a reverse mortgage loan, and other financial options available to the borrower.

Sec. 7. [58.19] REVERSE MORTGAGE LOANS COORDINATION WITH CHAPTER 47.

No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, shall make, provide, or arrange for a reverse mortgage as defined in chapter 47 without complying with that chapter and verifying that the reverse mortgage is suitable for the borrower.

Sec. 8. [60K.57] CROSS-SELLING LIMITATIONS ON REVERSE MORTGAGE PROCEEDS.

(a) No producer shall sell or encourage the purchase of an annuity, life insurance, or long-term care insurance product where the producer knows or should know that the purchase will be made using proceeds from a reverse mortgage.

(b) This section shall not apply with respect to the purchase of an annuity, life insurance, or long-term care insurance product made more than 18 months after the date the reverse mortgage loan was made."

Delete the title and insert:

"A bill for an act relating to reverse mortgages; eliminating the requirement that a reverse mortgage becomes due when committed principal has been fully paid; mandating counseling by an independent housing agency; regulating lender default; providing for a right of rescission; defining suitability; amending Minnesota Statutes 2008, section 47.58, subdivisions 1, 3, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 58; 60K."

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

Senate Conferees: TARRYL CLARK, LISA FOBBE and RAY VANDEVEER.

House Conferees: JIM DAVNIE, AL DOTY and PAUL KOHLS.

Davnie moved that the report of the Conference Committee on S. F. No. 489 be adopted and that the bill be repassed as amended by the Conference Committee.

CALL OF THE HOUSE

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

Abeler	Brod	Dettmer	Faust	Haws	Huntley
Anderson, B.	Buesgens	Dill	Gardner	Hayden	Jackson
Anderson, P.	Bunn	Doepke	Garofalo	Hilstrom	Johnson
Anderson, S.	Carlson	Doty	Gottwalt	Hilty	Kahn
Anzelc	Clark	Downey	Greiling	Holberg	Kath
Atkins	Cornish	Drazkowski	Gunther	Hoppe	Kelly
Beard	Davids	Eastlund	Hackbarth	Hornstein	Kiffmeyer
Benson	Davnie	Eken	Hamilton	Hortman	Knuth
Bigham	Dean	Emmer	Hansen	Hosch	Koenen
Bly	Demmer	Falk	Hausman	Howes	Kohls

Laine	Magnus	Newton	Poppe	Severson	Thissen
Lanning	Mariani	Nornes	Reinert	Shimanski	Tillberry
Lenczewski	Marquart	Norton	Rosenthal	Simon	Torkelson
Lesch	Masin	Obermueller	Rukavina	Slawik	Wagenius
Liebling	McFarlane	Olin	Sailer	Slocum	Ward
Lieder	McNamara	Otremba	Sanders	Smith	Welti
Lillie	Morgan	Pelowski	Scalze	Solberg	Westrom
Loeffler	Morrow	Peppin	Scott	Sterner	Winkler
Loon	Mullery	Persell	Seifert	Swails	Zellers
Mack	Murphy, E.	Peterson	Sertich	Thao	Spk. Kelliher

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.

Dauids moved that the House refuse to adopt the Conference Committee report on S. F. No. 489 and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Davids motion and the roll was called. There were 45 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Emmer	Kiffmeyer	Pelowski	Sterner
Anderson, B.	Davids	Garofalo	Lanning	Peppin	Torkelson
Anderson, P.	Dean	Gottwalt	Loeffler	Poppe	Urdahl
Anderson, S.	Demmer	Gunther	Mack	Scott	Westrom
Beard	Dettmer	Hackbarth	Magnus	Seifert	Zellers
Brod	Doepke	Hamilton	McFarlane	Severson	
Brown	Draskowski	Holberg	McNamara	Shimanski	
Buesgens	Eastlund	Howes	Nornes	Smith	

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the Davnie motion that the report of the Conference Committee on S. F. No. 489 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 489, A bill for an act relating to reverse mortgages; eliminating the requirement that a reverse mortgage becomes due when committed principal has been fully paid; mandating counseling by an independent housing agency; regulating lender default; imposing liability on a subsequent purchaser of a reverse mortgage; providing for a right of rescission; defining suitability; amending Minnesota Statutes 2008, section 47.58, subdivisions 1, 3, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapters 58; 60A; 60K.

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 97 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Anderson, S.	Eken	Hosch	Lieder	Nornes	Slocum
Anzelc	Falk	Howes	Lillie	Norton	Solberg
Atkins	Faust	Huntley	Loeffler	Obermueller	Swails
Benson	Fritz	Jackson	Loon	Olin	Thao
Bigham	Gardner	Johnson	Mack	Otremba	Thissen
Bly	Garofalo	Kahn	Mariani	Pelowski	Tillberry
Brown	Gottwalt	Kalin	Marquart	Persell	Wagenius
Brynaert	Greiling	Kath	Masin	Peterson	Ward
Bunn	Hansen	Kelly	McFarlane	Rosenthal	Welti
Carlson	Hausman	Kiffmeyer	McNamara	Rukavina	Westrom
Clark	Haws	Knuth	Morgan	Ruud	Winkler
Cornish	Hayden	Koenen	Morrow	Sailer	Spk. Kelliher
Davnie	Hilstrom	Kohls	Mullery	Sanders	
Dean	Hilty	Laine	Murphy, E.	Scalze	
Dill	Hoppe	Lenczewski	Murphy, M.	Sertich	
Doty	Hornstein	Lesch	Nelson	Simon	
Downey	Hortman	Liebling	Newton	Slawik	

Those who voted in the negative were:

Abeler	Davids	Emmer	Magnus	Severson	Zellers
Anderson, B.	Demmer	Gunther	Peppin	Shimanski	
Anderson, P.	Dettmer	Hackbarth	Poppe	Smith	
Beard	Doepke	Hamilton	Reinert	Sterner	
Brod	Drazkowski	Holberg	Scott	Torkelson	
Buesgens	Eastlund	Lanning	Seifert	Urdahl	

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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1504:

Hosch, Hayden and McFarlane.

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 Hortman.

Benson and Faust were excused for the remainder of today's session.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Madam Speaker:

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

H. F. No. 1193, A bill for an act relating to claims against the state; providing for settlement of various claims; appropriating money.

H. F. No. 1529, A bill for an act relating to civil proceedings; removing a dollar limitation on attorney or agent fees in certain cases; amending Minnesota Statutes 2008, section 15.471, subdivision 5.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Madam Speaker:

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

S. F. No. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Skogen, Clark, Ingebrigtsen, Moua and Foley.

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

Sailer 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. 492. The motion prevailed.

Madam Speaker:

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

S. F. No. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Dibble; Olson, M.; Rosen; Lourey and Kubly.

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

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

Hosch moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 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. 915. The motion prevailed.

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 963 and 1623.

COLLEEN J. PACHECO, First Assistant Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 963, A bill for an act relating to public safety; modifying duties and responsibilities of Forensic Laboratory Advisory Board; requiring the board to appoint an executive secretary; establishing immunity from liability for board members; clarifying availability of investigation reports to the public; defining forensic laboratory; providing for a study and report; appropriating money; amending Minnesota Statutes 2008, section 299C.156, subdivisions 1, 2, 3, 4, 5, 7, 11, by adding a subdivision.

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

S. F. No. 1623, A resolution memorializing the President and Congress to repeal the federal legislation of 1863 ordering the removal of Dakota people from Minnesota.

The bill was read for the first time.

Urdahl moved that S. F. No. 1623 and H. F. No. 1825, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

S. F. No. 707, A bill for an act relating to public safety; allowing emergency 911 systems to include referral to mental health crisis teams; amending Minnesota Statutes 2008, section 403.03.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1302 was reported to the House.

Mullery and Zellers moved to amend S. F. No. 1302, the second engrossment, as follows:

Page 2, after line 24, insert:

"EFFECTIVE DATE. This section is effective for contracts for deed acknowledged on or after August 1, 2009."

Page 2, line 30, after "580.032" insert "or the lis pendens for a foreclosure under chapter 581"

Page 2, line 32, after "580.032" insert "or the lis pendens for a foreclosure under chapter 581"

Page 3, line 3, after the second comma, insert "or the lis pendens for a foreclosure under chapter 581"

Page 3, line 20, after "580.032" insert "or the lis pendens for a foreclosure under chapter 581"

Page 5, lines 13, 15, and 22, after "580.032" insert "or the lis pendens for a foreclosure under chapter 581"

Page 7, line 29, delete everything after "conducted" and insert "before, on, or after"

The motion prevailed and the amendment was adopted.

S. F. No. 1302, as amended, was read for the third time.

MOTION TO ADJOURN

Buesgens moved that the House do now adjourn.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

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

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

The question recurred on the Buesgens motion that the House do now adjourn and the roll was called.

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

There were 20 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Buesgens	Eastlund	Holberg	Scott
Anderson, S.	Davids	Emmer	Hoppe	Severson
Beard	Dettmer	Gunther	Kohls	Shimanski
Brod	Drazkowski	Hackbarth	Peppin	Zellers

Those who voted in the negative were:

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

The motion did not prevail.

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. 1302, A bill for an act relating to real property; modifying provisions governing eviction of tenants in property subject to mortgage foreclosure or termination of contract for deed; specifying requirements for vendors under contracts for deed; modifying mortgage foreclosure notices and information requirements; modifying provisions for sheriff's sale postponement and perpetuating evidence of sale; amending Minnesota Statutes 2008, sections 504B.285, subdivision 1; 507.235, by adding a subdivision; 580.021, subdivisions 1, 2; 580.025; 580.04; 580.041, subdivision 1a; 580.042, subdivision 1; 580.07; 580.15.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 548, A bill for an act relating to marriage; clarifying and modifying certain terms and procedures; specifying forms; amending Minnesota Statutes 2008, sections 517.02; 517.03, subdivision 2; 517.04; 517.05; 517.06; 517.07; 517.08, subdivisions 1a, 1b; 517.10; 517.101; 517.13.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

The bill was passed and its title agreed to.

S. F. No. 1566 was reported to the House.

Thissen moved to amend S. F. No. 1566, the unofficial engrossment, as follows:

Page 21, after line 27, insert:

"(r) The commissioner shall seek approval for a federal waiver from the secretary of health and human services to create an optional medical assistance eligibility category of childless adults as a replacement for the general assistance medical care program. The optional category shall have a benefit set limited to those services described in subdivision 4. As part of the waiver application, the commissioner shall determine whether the complete elimination of state funding for general assistance medical care would result in higher costs for the federal Medicare program. As part of the waiver application, the commissioner may also consider the savings to the federal government due to state health care services provided to a similar population under section 256L.07, subdivision 6. Individuals and households with no children who have gross family incomes that are equal to or less than 100 percent of the federal poverty guidelines shall be eligible for childless adult medical assistance effective July 1, 2011, or upon federal approval, whichever is later."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Thissen moved to amend S. F. No. 1566, the unofficial engrossment, as amended, as follows:

Page 13, after line 2, insert:

"Sec. 12. Minnesota Statutes 2008, section 256B.0951, is amended by adding a subdivision to read:

Subd. 10. **Quality Assurance Commission federal reimbursement.** The commissioner shall seek federal financial participation for eligible activity by the Quality Assurance Commission performed for medical assistance recipients. The commission shall maintain and transmit to the commissioner documentation that is necessary to obtain federal funds. Any federal administrative and service reimbursement shall be provided to the commission for their statutory functions, minus administrative costs incurred by the commissioner."

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 Thissen amendment and the roll was called. There were 122 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Emmer	Hackbarth
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The motion prevailed and the amendment was adopted.

Bunn moved to amend S. F. No. 1566, the unofficial engrossment, as amended, as follows:

Page 17, after line 21, insert:

"Sec. 17. Minnesota Statutes 2008, section 256B.76, is amended by adding a subdivision to read:

Subd. 4a. Designation and termination of critical access dental providers. (a) The commissioner shall not designate an individual dentist or clinic as a critical access dental provider under subdivision 4 or section 256L.11, subdivision 7, when the owner or a dentist employed by or under contract with the practice:

(1) has been subject to a corrective or disciplinary action by the Minnesota Board of Dentistry within the past three years or is currently subject to a corrective or disciplinary action by the board. Designation shall not be made until the provider is no longer subject to a corrective or disciplinary action;

(2) when a group practice with multiple fixed clinic locations does not bill on a fixed clinic-specific location basis or bills using a critical access provider number for services provided at a noncritical access designated location;

(3) has been subject, within the past three years, to a post-investigation action by the commissioner of human services when investigating services provided to Minnesota health care program enrollees, including administrative sanctions, monetary recovery, referral to state regulatory agency, referral to the state attorney general or county attorney general, or issuance of a warning as specified in Minnesota Rules, parts 9505.2160 to 9505.2245. Designation shall not be considered until January of the year following documentation that the activity that resulted in post-investigative action has stopped; or

(4) has not completed the application for critical access dental provider designation, has submitted the application after the due date, has provided incorrect information, or has knowingly and willfully submitted a fraudulent designation form.

(b) The commissioner shall terminate a critical access designation of an individual dentist or clinic, if the owner or a dentist employed by or under contract with the practice:

(1) becomes subject to a disciplinary or corrective action by the Minnesota Board of Dentistry. The provider shall not be considered for critical access designation until January following the year in which the action has ended; or

(2) becomes subject to a post-investigation action by the commissioner of human services including administrative sanctions, monetary recovery, referral to state regulatory agency, referral to the state attorney general or county attorney general, or issuance of a warning as specified in Minnesota Rules, parts 9505.2160 to 9505.2245. Designation shall not be considered until January of the year following documentation that the activity that resulted in post-investigative action has stopped.

(c) Any termination is retroactive to the date of the:

(1) post-investigative action; or

(2) disciplinary or corrective action by the Minnesota Board of Dentistry.

(d) A provider who has been terminated or not designated may appeal only through the contested hearing process as defined in section 14.02, subdivision 3, by filing with the commissioner a written request of appeal. The appeal request must be received by the commissioner no later than 30 days after notification of termination or non-designation.

(e) The commissioner may make an exception to paragraph (a), clauses (1) and (3), and paragraph (b), if an action taken by the Minnesota Board of Dentistry or the commissioner of human services is the result of a onetime event by an individual employed or contracted by a group practice.

(f) Post-investigative actions taken by contracted health plans shall be considered in the designation and termination of critical access providers.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Norton moved to amend S. F. No. 1566, the unofficial engrossment, as amended, as follows:

Page 11, after line 36, insert:

"Sec. 10. Minnesota Statutes 2008, section 256B.0625, subdivision 14, is amended to read:

Subd. 14. **Diagnostic, screening, and preventive services.** (a) Medical assistance covers diagnostic, screening, and preventive services.

(b) "Preventive services" include services related to pregnancy, including:

(1) services for those conditions which may complicate a pregnancy and which may be available to a pregnant woman determined to be at risk of poor pregnancy outcome;

(2) prenatal HIV risk assessment, education, counseling, and testing; and

(3) alcohol abuse assessment, education, and counseling on the effects of alcohol usage while pregnant. Preventive services available to a woman at risk of poor pregnancy outcome may differ in an amount, duration, or scope from those available to other individuals eligible for medical assistance.

(c) "Screening services" include, but are not limited to, blood lead tests.

(d) The commissioner shall encourage, at the time of the child and teen checkup or at an episodic care visit, the primary care health care provider to perform primary caries preventive services. Primary caries preventive services include, at a minimum:

(1) a general visual examination of the child's mouth without using probes or other dental equipment or taking radiographs;

(2) a risk assessment using the factors established by the American Academies of Pediatrics and Pediatric Dentistry; and

(3) the application of a fluoride varnish beginning at age 1 to those children assessed by the provider as being high risk in accordance with best practices as defined by the Department of Human Services.

At each checkup, if primary caries preventive services are provided, the provider must provide to the child's parent or legal guardian: information on caries etiology and prevention; and information on the importance of finding a dental home for their child by the age of 1. The provider must also advise the parent or legal guardian to contact the child's managed care plan or the Department of Human Services in order to secure a dental appointment with a dentist. The provider must indicate in the child's medical record that the parent or legal guardian was provided with this information and document any primary caries prevention services provided to the child."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Gottwalt, Abeler and Huntley moved to amend S. F. No. 1566, the unofficial engrossment, as amended.

A roll call was requested and properly seconded.

Huntley requested a division of the Gottwalt et al amendment to S. F. No. 1566, the unofficial engrossment, as amended.

The first portion of the divided Gottwalt et al amendment to S. F. No. 1566, the unofficial engrossment, as amended, reads as follows:

Page 1, after line 16, insert:

"Section 1. **ALZHEIMER'S DISEASE WORKING GROUP.**

Subdivision 1. **Establishment; members.** The Minnesota Board on Aging must convene an Alzheimer's disease working group that consists of no more than 20 members including, but not limited to:

- (1) at least one caregiver of a person who has been diagnosed with Alzheimer's disease;
- (2) at least one person who has been diagnosed with Alzheimer's disease;
- (3) a representative of the nursing facility industry;
- (4) a representative of the assisted living industry;
- (5) a representative of the adult day services industry;
- (6) a representative of the medical care provider community;
- (7) a psychologist who specializes in dementia care;
- (8) an Alzheimer's researcher;
- (9) a representative of the Alzheimer's Association;
- (10) the commissioner of human services or a designee;
- (11) the commissioner of health or a designee;
- (12) the ombudsman for long-term care or a designee; and
- (13) at least two members named by the governor.

Subd. 2. **Duties; recommendations.** The Alzheimer's disease working group must examine the array of needs of individuals diagnosed with Alzheimer's disease, services available to meet these needs, and the capacity of the state and current providers to meet these and future needs. The working group shall consider and make recommendations on the following issues:

- (1) trends in the state's Alzheimer's population and service needs including, but not limited to:
 - (i) the state's role in long-term care, family caregiver support, and assistance to persons with early-stage and early-onset of Alzheimer's disease;
 - (ii) state policy regarding persons with Alzheimer's disease and dementia; and

(iii) establishment of a surveillance system for the purpose of having proper estimates of the number of persons in the state with Alzheimer's disease, and the changing population with dementia;

(2) existing resources, services, and capacity including, but not limited to:

(i) type, cost, and availability of dementia services;

(ii) dementia-specific training requirements for long-term care staff;

(iii) quality care measures for residential care facilities;

(iv) availability of home and community-based resources for persons with Alzheimer's disease, including respite care;

(v) number and availability of long-term care dementia units;

(vi) adequacy and appropriateness of geriatric psychiatric units for persons with behavior disorders associated with Alzheimer's and related dementia; and

(vii) assisted living residential options for persons with dementia; and

(3) needed policies or responses including, but not limited to, the provision of coordinated services and supports to persons and families living with Alzheimer's and related disorders, the capacity to meet these needs, and strategies to address identified gaps in services.

Subd. 3. **Meetings.** At least four working group meetings must be public meetings, and to the extent practicable, technological means, such as Web casts, shall be used to reach the greatest number of people throughout the state.

Subd. 4. **Report.** The Board on Aging must submit a report and recommendations to the governor and chairs and ranking minority members of the legislative committees with jurisdiction over health care no later than January 15, 2011.

Subd. 5. **Private funding.** To the extent available, the Board on Aging may utilize funding provided by private foundations and other private funding sources to complete the duties of the Alzheimer's disease working group.

Subd. 6. **Sunset.** The Alzheimer's disease working group sunsets upon delivery of the required report to the governor and legislative committees."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The question was taken on the first portion of the Gottwalt et al amendment and the roll was called. There were 112 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Abeler	Anzelc	Bigham	Brown	Carlson	Davids
Anderson, P.	Atkins	Bly	Brynaert	Clark	Davnie
Anderson, S.	Beard	Brod	Bunn	Cornish	Dean

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

Those who voted in the negative were:

Anderson, B.	Dettmer	Draskowski	Pelowski	Poppe
Buesgens	Dill	Hackbarth	Peppin	Shimanski

The motion prevailed and the first portion of the Gottwalt et al amendment was adopted.

Gottwalt withdrew the second portion of the Gottwalt et al amendment to S. F. No. 1566, the unofficial engrossment, as amended.

Huntley, Gottwalt and Abeler moved to amend S. F. No. 1566, the unofficial engrossment, as amended, as follows:

Page 1, after line 16, insert:

"Sec. 2. Minnesota Statutes 2008, section 60A.23, subdivision 8, is amended to read:

Subd. 8. **Self-insurance or insurance plan administrators who are vendors of risk management services.**
 (1) **Scope.** This subdivision applies to any vendor of risk management services and to any entity which administers, for compensation, a self-insurance or insurance plan. This subdivision does not apply (a) to an insurance company authorized to transact insurance in this state, as defined by section 60A.06, subdivision 1, clauses (4) and (5); (b) to a service plan corporation, as defined by section 62C.02, subdivision 6; (c) to a health maintenance organization, as defined by section 62D.02, subdivision 4; (d) to an employer directly operating a self-insurance plan for its employees' benefits; (e) to an entity which administers a program of health benefits established pursuant to a collective bargaining agreement between an employer, or group or association of employers, and a union or unions; or (f) to an entity which administers a self-insurance or insurance plan if a licensed Minnesota insurer is providing insurance to the plan and if the licensed insurer has appointed the entity administering the plan as one of its licensed agents within this state.

(2) **Definitions.** For purposes of this subdivision the following terms have the meanings given them.

(a) "Administering a self-insurance or insurance plan" means (i) processing, reviewing or paying claims, (ii) establishing or operating funds and accounts, or (iii) otherwise providing necessary administrative services in connection with the operation of a self-insurance or insurance plan.

(b) "Employer" means an employer, as defined by section 62E.02, subdivision 2.

(c) "Entity" means any association, corporation, partnership, sole proprietorship, trust, or other business entity engaged in or transacting business in this state.

(d) "Self-insurance or insurance plan" means a plan providing life, medical or hospital care, accident, sickness or disability insurance for the benefit of employees or members of an association, or a plan providing liability coverage for any other risk or hazard, which is or is not directly insured or provided by a licensed insurer, service plan corporation, or health maintenance organization.

(e) "Vendor of risk management services" means an entity providing for compensation actuarial, financial management, accounting, legal or other services for the purpose of designing and establishing a self-insurance or insurance plan for an employer.

(3) **License.** No vendor of risk management services or entity administering a self-insurance or insurance plan may transact this business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license may be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee is \$1,500 for the initial application and \$1,500 for each three-year renewal. All licenses are for a period of three years.

(4) **Regulatory restrictions; powers of the commissioner.** To assure that self-insurance or insurance plans are financially solvent, are administered in a fair and equitable fashion, and are processing claims and paying benefits in a prompt, fair, and honest manner, vendors of risk management services and entities administering insurance or self-insurance plans are subject to the supervision and examination by the commissioner. Vendors of risk management services, entities administering insurance or self-insurance plans, and insurance or self-insurance plans established or operated by them are subject to the trade practice requirements of sections 72A.19 to 72A.30. In lieu of an unlimited guarantee from a parent corporation for a vendor of risk management services or an entity administering insurance or self-insurance plans, the commissioner may accept a surety bond in a form satisfactory to the commissioner in an amount equal to 120 percent of the total amount of claims handled by the applicant in the prior year. If at any time the total amount of claims handled during a year exceeds the amount upon which the bond was calculated, the administrator shall immediately notify the commissioner. The commissioner may require that the bond be increased accordingly.

No contract entered into after July 1, 2001, between a licensed vendor of risk management services and a group authorized to self-insure for workers' compensation liabilities under section 79A.03, subdivision 6, may take effect until it has been filed with the commissioner, and either (1) the commissioner has approved it or (2) 60 days have elapsed and the commissioner has not disapproved it as misleading or violative of public policy.

(5) **Rulemaking authority.** To carry out the purposes of this subdivision, the commissioner may adopt rules pursuant to sections 14.001 to 14.69. These rules may:

(a) establish reporting requirements for administrators of insurance or self-insurance plans;

(b) establish standards and guidelines to assure the adequacy of financing, reinsuring, and administration of insurance or self-insurance plans;

(c) establish bonding requirements or other provisions assuring the financial integrity of entities administering insurance or self-insurance plans; or

(d) establish other reasonable requirements to further the purposes of this subdivision.

(6) **Claims processing practices.** No entity administering a self-insurance or insurance plan shall require a patient to pay for care provided by an in-network provider in an amount that exceeds the fee negotiated between the entity and that provider for the covered service provided."

Page 2, after line 9, insert:

"Sec. 3. **62Q.7375] HEALTH CARE CLEARINGHOUSES.**

Subdivision 1. **Definition.** For the purposes of this section, "health care clearinghouse" or "clearinghouse" means a public or private entity, including a billing service, repricing company, community health management information system or community health information system, and "value-added" networks and switches, that does either of the following functions:

(1) processes or facilitates the processing of health information received from another entity in a nonstandard format or containing nonstandard data content into standard data elements or a standard transaction; or

(2) receives a standard transaction from another entity and processes or facilitates the processing of health information into nonstandard format or nonstandard data content for the receiving entity.

Subd. 2. **Claims submission deadlines and careful handling.** (a) A health plan or third-party administrator must not have or enforce a deadline for submission of claims that is shorter than the period provided in section 60A.23, subdivision 8, paragraph (6), clause (c).

(b) A claim submitted to a health plan or third-party administrator through a health care clearinghouse or clearinghouse within the time permitted under paragraph (a) must be treated as timely by the health plan or third-party administrator, provided it meets the requirements set forth in section 62Q.75, subdivision 1, paragraph (b). This paragraph does not apply if the provider submitted the claim to a clearinghouse that does not have the ability or authority to transmit the claim to the relevant health plan company.

EFFECTIVE DATE. This section is effective August 1, 2009, and applies to claims transmitted to a clearinghouse on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dean moved to amend S. F. No. 1566, the unofficial engrossment, as amended, as follows:

Page 8, after line 9, insert:

"Sec. 5. Minnesota Statutes 2008, section 256.969, is amended by adding a subdivision to read:

Subd. 9c. **Disproportionate share hospital payment pool.** (a) Effective July 1, 2010, a disproportionate share hospital payment pool is established. Payments from the pool must be distributed, within the limits of the available appropriation, to eligible hospitals as described in this subdivision.

(b) A payment amount, as calculated under sections 256.9685 to 256.9695, must be determined, but not paid, for each admission of a patient eligible under section 256D.03, subdivision 3, occurring during each six-month period.

(c) The aggregated payment amounts for each hospital determined under paragraph (b) must be calculated as the percentage of the total calculated amount for all hospitals.

(d) Distributions from the payment pool for each hospital must be determined by multiplying the factor in paragraph (c) by the amount of the disproportionate share hospital pool that is available for the six-month period.

(e) Payments under this subdivision must be considered Medicaid disproportionate share hospital payments and limited according to clauses (1) to (4):

(1) only the portion of Minnesota's disproportionate share hospital allotment under section 1923(f) of the Social Security Act that is not spent on the disproportionate population adjustments in subdivision 9, paragraph (b), clauses (1) and (2), is available for payments under this section;

(2) payments under this section are available only to hospitals that qualify for disproportionate share payments under section 1923 of the Social Security Act and the Medicaid state plan;

(3) payments to individual hospitals under this section are limited to an amount that would not cause the hospital to exceed its individual hospital limits under section 1923 of the Social Security Act. The portion of payment amounts that exceed such limits must be returned to the payment pool and made available to other eligible hospitals that have not reached the limit in the same proportions as the initial payment; and

(4) aggregate payments under this section may not exceed Minnesota's aggregate allotment under section 1923 of the Social Security Act.

(f) Any excess state funds remaining in the pool after payments made under paragraph (e) that exceed Minnesota's aggregate allotment under paragraph (e), clause (4), must be distributed based on the formula in paragraphs (b) to (d) without federal financial participation."

Page 17, delete section 18 and insert:

"Sec. 18. Minnesota Statutes 2008, section 256D.03, subdivision 3, is amended to read:

Subd. 3. **General assistance medical care; eligibility.** (a) General assistance medical care may be paid for any person who is not eligible for medical assistance under chapter 256B, including eligibility for medical assistance based on a spenddown of excess income according to section 256B.056, subdivision 5, ~~or Minnesota Care as defined in paragraph (b), except as provided in paragraph (e),~~ and who satisfies one of the requirements in clause (1) or clauses (2) and (3):

(1) ~~who is the person must be~~ receiving assistance under section 256D.05, except for families with children who are eligible under Minnesota family investment program (MFIP), or who is having a payment made on the person's behalf under sections 256I.01 to 256I.06; ~~or~~

(2) ~~who is the person must be~~ a resident of Minnesota; ~~and;~~

(i) who has gross countable income not in excess of 75 percent of the federal poverty guidelines for the family size, using a six-month budget period and whose equity in assets is not in excess of \$1,000 per assistance unit. General assistance medical care is not available for applicants or enrollees who are otherwise eligible for medical assistance but fail to verify their assets. Enrollees who become eligible for medical assistance shall be terminated

and transferred to medical assistance. Exempt assets, the reduction of excess assets, and the waiver of excess assets must conform to the medical assistance program in section 256B.056, subdivisions 3 and 3d, with the following exception: the maximum amount of undistributed funds in a trust that could be distributed to or on behalf of the beneficiary by the trustee, assuming the full exercise of the trustee's discretion under the terms of the trust, must be applied toward the asset maximum; or

(ii) who has gross countable income above 75 percent of the federal poverty guidelines but not in excess of 175 percent of the federal poverty guidelines for the family size, using a six-month budget period, whose equity in assets is not in excess of the limits in section 256B.056, subdivision 3c, and who applies during an inpatient hospitalization that occurs on or before July 1, 2010; or

~~(iii) the commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services.~~

~~(b) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may not be paid for applicants or recipients who are adults with dependent children under 21 whose gross family income is equal to or less than 275 percent of the federal poverty guidelines who are not described in paragraph (c).~~

~~(c) Effective for applications and renewals processed on or after September 1, 2006, general assistance medical care may be paid for applicants and recipients who meet all eligibility requirements of paragraph (a), clause (2), item (i), for a temporary period beginning the date of application. Immediately following approval of general assistance medical care, enrollees shall be enrolled in MinnesotaCare under section 256L.04, subdivision 7, with covered services as provided in section 256L.03 for the rest of the six month general assistance medical care eligibility period, until their six month renewal.~~

~~(d) To be eligible for general assistance medical care following enrollment in MinnesotaCare as required by paragraph (c), an individual must complete a new application.~~

~~(e) Applicants and recipients eligible under paragraph (a), clause (1), are exempt from the MinnesotaCare enrollment requirements in this subdivision if they:~~

~~(1) have applied for and are awaiting a determination of blindness or disability by the state medical review team or a determination of eligibility for Supplemental Security Income or Social Security Disability Insurance by the Social Security Administration;~~

~~(2) fail to meet the requirements of section 256L.09, subdivision 2;~~

~~(3) are homeless as defined by United States Code, title 42, section 11301, et seq.;~~

~~(4) are classified as end-stage renal disease beneficiaries in the Medicare program;~~

~~(5) are enrolled in private health care coverage as defined in section 256B.02, subdivision 9;~~

~~(6) are eligible under paragraph (j);~~

~~(7) receive treatment funded pursuant to section 254B.02; or~~

~~(8) reside in the Minnesota sex offender program defined in chapter 246B.~~

(3) the person must meet at least one of the following criteria:

(i) the person has applied for and is awaiting a determination of blindness or disability by the state medical review team or a determination of eligibility for Supplemental Security Income or Social Security Disability Insurance by the Social Security Administration;

(ii) the person is homeless as defined by United States Code, title 42, section 11301, et seq.;

(iii) the person is classified as an end-stage renal disease beneficiary in the Medicare program;

(iv) the person is enrolled in private health care coverage as defined in section 256B.02, subdivision 9;

(v) the person is:

(A) detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order;

(B) is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order; and

(C) continues to meet other eligibility requirements of this subdivision;

(vi) the person receives treatment funded under section 254B.02; or

(vii) the person resides in the Minnesota sex offender program defined in chapter 246B.

~~(b)~~ (b) For applications received on or after October 1, 2003, eligibility may begin no earlier than the date of application. For individuals eligible under paragraph (a), clause (2), item (i), a redetermination of eligibility must occur every 12 months. Individuals are eligible under paragraph (a), clause (2), item (ii), only during inpatient hospitalization but may reapply if there is a subsequent period of inpatient hospitalization that occurs on or before July 1, 2010.

~~(g) Beginning September 1, 2006, Minnesota health care program applications and renewals completed by recipients and applicants who are persons described in paragraph (e) and submitted to the county agency shall be determined for MinnesotaCare eligibility by the county agency. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available in any month during which MinnesotaCare enrollment is pending. Upon notification of eligibility for MinnesotaCare, notice of termination for eligibility for general assistance medical care shall be sent to an applicant or recipient. If all other eligibility requirements of this subdivision are met, eligibility for general assistance medical care shall be available until enrollment in MinnesotaCare subject to the provisions of paragraphs (e), (e), and (f).~~

~~(c)~~ (c) The date of an initial Minnesota health care program application necessary to begin a determination of eligibility shall be the date the applicant has provided a name, address, and Social Security number, signed and dated, to the county agency or the Department of Human Services. If the applicant is unable to provide a name, address, Social Security number, and signature when health care is delivered due to a medical condition or disability, a health care provider may act on an applicant's behalf to establish the date of an initial Minnesota health care program application by providing the county agency or Department of Human Services with provider identification and a temporary unique identifier for the applicant. The applicant must complete the remainder of the application and provide necessary verification before eligibility can be determined. The county agency must assist the applicant in obtaining verification if necessary.

~~(d)~~ (d) County agencies are authorized to use all automated databases containing information regarding recipients' or applicants' income in order to determine eligibility for general assistance medical care or MinnesotaCare. Such use shall be considered sufficient in order to determine eligibility and premium payments by the county agency.

~~(j) General assistance medical care is not available for a person in a correctional facility unless the person is detained by law for less than one year in a county correctional or detention facility as a person accused or convicted of a crime, or admitted as an inpatient to a hospital on a criminal hold order, and the person is a recipient of general assistance medical care at the time the person is detained by law or admitted on a criminal hold order and as long as the person continues to meet other eligibility requirements of this subdivision.~~

~~(e)~~ (e) General assistance medical care is not available for applicants or recipients who do not cooperate with the county agency to meet the requirements of medical assistance.

~~(f)~~ (f) In determining the amount of assets of an individual eligible under paragraph (a), clause (2), item (i), there shall be included any asset or interest in an asset, including an asset excluded under paragraph (a), that was given away, sold, or disposed of for less than fair market value within the 60 months preceding application for general assistance medical care or during the period of eligibility. Any transfer described in this paragraph shall be presumed to have been for the purpose of establishing eligibility for general assistance medical care, unless the individual furnishes convincing evidence to establish that the transaction was exclusively for another purpose. For purposes of this paragraph, the value of the asset or interest shall be the fair market value at the time it was given away, sold, or disposed of, less the amount of compensation received. For any uncompensated transfer, the number of months of ineligibility, including partial months, shall be calculated by dividing the uncompensated transfer amount by the average monthly per person payment made by the medical assistance program to skilled nursing facilities for the previous calendar year. The individual shall remain ineligible until this fixed period has expired. The period of ineligibility may exceed 30 months, and a reapplication for benefits after 30 months from the date of the transfer shall not result in eligibility unless and until the period of ineligibility has expired. The period of ineligibility begins in the month the transfer was reported to the county agency, or if the transfer was not reported, the month in which the county agency discovered the transfer, whichever comes first. For applicants, the period of ineligibility begins on the date of the first approved application.

~~(g)~~ (g) When determining eligibility for any state benefits under this subdivision, the income and resources of all noncitizens shall be deemed to include their sponsor's income and resources as defined in the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, title IV, Public Law 104-193, sections 421 and 422, and subsequently set out in federal rules.

~~(h)~~ (h) Undocumented noncitizens and nonimmigrants are ineligible for general assistance medical care. For purposes of this subdivision, a nonimmigrant is an individual in one or more of the classes listed in United States Code, title 8, section 1101(a)(15), and an undocumented noncitizen is an individual who resides in the United States without the approval or acquiescence of the United States Citizenship and Immigration Services.

~~(i)~~ (i) Notwithstanding any other provision of law, a noncitizen who is ineligible for medical assistance due to the deeming of a sponsor's income and resources, is ineligible for general assistance medical care.

~~(j)~~ (j) Effective July 1, 2003, general assistance medical care emergency services end.

(k) The commissioner shall adjust the income standards under this section each July 1 by the annual update of the federal poverty guidelines following publication by the United States Department of Health and Human Services.

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

Page 21, after line 27, insert:

"Sec. 19. Minnesota Statutes 2008, section 256D.03, is amended by adding a subdivision to read:

Subd. 4a. **General assistance medical care; services.** (a) Effective July 1, 2010, for a person who is eligible under subdivision 3, paragraph (a), clause (2), item (i), general assistance medical care covers, except as provided in paragraph (c):

- (1) care coordination services provided in a primary care physician setting which meets the following criteria:
- (i) enhanced clinic access;
 - (ii) structured care plans;
 - (iii) staff time dedicated to care coordination;
 - (iv) active patient outreach;
 - (v) scheduled tracking of patient's care needs and medication compliance; and
 - (vi) health care encounters at specific intervals;
- (2) outpatient hospital services, except emergency room services;
- (3) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (4) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (5) laboratory and diagnostic imaging services;
- (6) physician's services;
- (7) noninpatient mental health services as described in chapter 256B, except day treatment, group therapy, and psychological testing;
- (8) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, a certified neonatal nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if (i) the service is otherwise covered under this chapter as a physician service, and (ii) the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171;
- (9) services provided by a community health worker according to section 256B.0625, subdivision 49; and
- (10) regardless of the number of employees that an enrolled health care provider may have, sign language interpreter services when provided by an enrolled health care provider during the course of providing a direct, person-to-person covered health care service to an enrolled recipient who has a hearing loss and uses interpreting services.
- (b) Effective August 1, 2005, sex reassignment surgery is not covered under this subdivision.
- (c) In order to contain costs, the commissioner of human services may contract with organizations on a prepaid capitation basis to provide these services.
- (d) Effective January 1, 2008, drug coverage under general assistance medical care is limited to prescription drugs that:
- (1) are covered under the medical assistance program as described in section 256B.0625, subdivisions 13 and 13d; and

(2) are provided by manufacturers that have fully executed general assistance medical care rebate agreements with the commissioner and comply with the agreements. Prescription drug coverage under general assistance medical care must conform to coverage under the medical assistance program according to section 256B.0625, subdivisions 13 to 13g.

(e) Recipients eligible under subdivision 3, paragraph (a), shall pay a co-payment of \$3 per brand-name drug prescription and \$1 per generic drug prescription, subject to a \$7 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for the treatment of mental illness.

(f) Recipients of general assistance medical care are responsible for all co-payments in this subdivision. The general assistance medical care reimbursement to the provider shall be reduced by the amount of the co-payment, except that reimbursement for prescription drugs shall not be reduced once a recipient has reached the \$7 per month maximum for prescription drug co-payments. The provider collects the co-payment from the recipient. Providers may not deny services to recipients who are unable to pay the co-payment.

(g) Any county may, from its own resources, provide medical payments for which state payments are not made.

(h) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

(i) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(j) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule.

(k) A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(l) Payments for nonpreventive visits shall be reduced by \$3 for services provided on or after January 1, 2006. For purposes of this subdivision, a visit means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary or advance practice nurse.

Sec. 20. Minnesota Statutes 2008, section 256D.03, subdivision 6, is amended to read:

Subd. 6. **Division of costs.** Effective July 1, 2010, the state share of county agency expenditures for general assistance medical care shall be 100 percent, except as indicated for mental health case management in section 256B.0625, subdivision 20, paragraph (h). Payments made under this subdivision shall be made according to sections 256B.041, subdivision 5 and 256B.19, subdivision 1. In counties where a pilot or demonstration project is operated for general assistance medical care services, the state may pay 100 percent of the costs of administering the pilot or demonstration project.

Notwithstanding any provision to the contrary, beginning July 1, 1991, the state shall pay 100 percent of the costs for centralized claims processing by the Department of Administration relative to claims beginning January 1, 1991, and submitted on behalf of general assistance medical care recipients by vendors in the general assistance medical care program.

~~Beginning July 1, 1991, the state shall reimburse counties up to the limit of state appropriations for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes after December 31, 1990. For purposes of this subdivision, transportation shall have the meaning given it in Code of Federal Regulations, title 42, section 440.170(a), as amended through October 1, 1987, and travel expenses shall have the meaning given in Code of Federal Regulations, title 42, section 440.170(a)(3), as amended through October 1, 1987.~~

~~The county shall ensure that only the least costly most appropriate transportation and travel expenses are used. The state may enter into volume purchase contracts, or use a competitive bidding process, whenever feasible, to minimize the costs of transportation services. If the state has entered into a volume purchase contract or used the competitive bidding procedures of chapter 16C to arrange for transportation services, the county may be required to use such arrangements to be eligible for state reimbursement for general assistance medical care common carrier transportation and related travel expenses provided for medical purposes.~~

~~In counties where prepaid health plans are under contract to the commissioner to provide services to general assistance medical care recipients, the cost of court ordered treatment that does not include diagnostic evaluation, recommendation, or referral for treatment by the prepaid health plan is the responsibility of the county of financial responsibility.~~

Sec. 21. Minnesota Statutes 2008, section 256D.03, subdivision 9, is amended to read:

Subd. 9. **Payment for ambulance services.** (a) Effective for services rendered on or after July 1, 1999, general assistance medical care payments for ambulance services shall be increased by five percent.

(b) This subdivision expires July 1, 2010."

Page 24, after line 28, insert:

"Sec. 26. **APPROPRIATION.**

\$100,000,000 is appropriated in fiscal year 2011 from the general fund to the commissioner of human services for the purposes of Minnesota Statutes, section 256.969, subdivision 9c."

Page 25, after line 2, insert:

"(b) Minnesota Statutes 2008, sections 256L.05, subdivision 1b; 256L.07, subdivision 6; and 256L.15, subdivision 4, are repealed effective July 1, 2010."

Page 25, line 3, delete "(b)" and insert "(c)"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Huntley moved that S. F. No. 1566, the unofficial engrossment, as amended, be continued on the Calendar for the Day. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 492:

Sailer, Hosch, Scalze, Reinert and Cornish.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 915:

Hosch, Anzelc, Peterson, Carlson and Davids.

ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 1:30 p.m., Sunday, May 17, 2009. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and Speaker pro tempore Hortman declared the House stands adjourned until 1:30 p.m., Sunday, May 17, 2009.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives