

## STATE OF MINNESOTA

## EIGHTY-SEVENTH SESSION — 2012

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 ONE HUNDRED SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 23, 2012

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

Prayer was offered by the Reverend Grady St. Dennis, 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	Dean	Hancock	Leidiger	Murdock	Simon
Anderson, B.	Dettmer	Hansen	LeMieur	Murphy, E.	Slawik
Anderson, D.	Dill	Hausman	Lenczewski	Murphy, M.	Slocum
Anderson, P.	Dittrich	Hilstrom	Lesch	Murray	Smith
Anderson, S.	Doepke	Hilty	Liebling	Myhra	Stensrud
Anzelc	Downey	Holberg	Lillie	Nelson	Swedzinski
Atkins	Drazkowski	Hoppe	Loeffler	Nornes	Thissen
Banaian	Eken	Hornstein	Lohmer	Norton	Tillberry
Barrett	Erickson	Hortman	Loon	O'Driscoll	Torkelson
Beard	Fabian	Hosch	Mack	Paymar	Urdahl
Benson, J.	Falk	Howes	Mahoney	Pelowski	Vogel
Benson, M.	Franson	Huntley	Mariani	Peppin	Wagenius
Bills	Fritz	Johnson	Marquart	Persell	Ward
Brynaert	Garofalo	Kahn	Mazorol	Petersen, B.	Wardlow
Buesgens	Gauthier	Kath	McDonald	Poppe	Westrom
Carlson	Gottwalt	Kieffer	McElpatrick	Quam	Winkler
Champion	Greene	Kiel	McFarlane	Rukavina	Woodard
Cornish	Greiling	Kiffmeyer	McNamara	Runbeck	Spk. Zellers
Crawford	Gruenhagen	Knuth	Melin	Sanders	
Daudt	Gunther	Kriesel	Moran	Scalze	
Davids	Hackbarth	Laine	Morrow	Schomacker	
Davnie	Hamilton	Lanning	Mullery	Scott	

A quorum was present.

Allen, Clark, Kelly and Peterson, S., were excused.

Shimanski was excused until 3:15 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

**PETITIONS AND COMMUNICATIONS**

The following communication was received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

April 20, 2012

The Honorable Kurt Zellers  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Zellers:

I have vetoed, and am returning H. F. No. 1766, Chapter No. 190, a bill modifying child care assistance payments.

This legislation is completely unnecessary because no union representation of child care providers exists in the State of Minnesota.

I will not support such a misguided and unnecessary effort. For these reasons, I am vetoing H. F. No. 1766.

Sincerely,

MARK DAYTON  
Governor

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

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

H. F. No. 418, A bill for an act relating to state government; proposing the Back Office Consolidation Act; centralizing accounting, financial reporting, procurement, fleet services, human resources, and payroll functions in the Department of Administration; proposing coding for new law in Minnesota Statutes, chapter 16B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CITATION.**

This act may be known as the "Back Office Consolidation Act."

Sec. 2. **BENCHMARKING STUDIES.**

(a) The commissioner of the Department of Administration must use general funds previously appropriated to the commissioner for the biennium ending June 30, 2013, to contract for a benchmark study resulting in a benchmark report on the efficiency and effectiveness of the following back office functions: accounting; finance; procurement; and human resources, including payroll. The benchmark report shall be completed by November 1, 2012, and shall:

(1) include an objective comparison of the performance of the state to peer groups and world-class organizations for all business processes in the back office functions specified in this paragraph;

(2) quantify performance gaps;

(3) identify hidden costs;

(4) identify improvement initiatives for the state to increase efficiency and effectiveness;

(5) suggest a prioritized ranking of the improvement initiatives;

(6) identify and implement immediate opportunities for savings; and

(7) evaluate a variety of future shared service models, including in-house, co-source, and outsourced.

(b) The commissioner of administration shall provide copies of the benchmark report to the chairs and ranking minority members on the committees in the senate and house of representatives with primary jurisdiction over the Department of Administration.

Sec. 3. **IMPROVEMENT INITIATIVES.**

(a) By January 15, 2013, the commissioner of administration shall submit a report to the chairs and ranking minority members on the committees in the senate and house of representatives with primary jurisdiction over the Department of Administration including:

(1) a plan for implementing the improvement initiatives identified in the benchmarking report during the remainder of the biennium ending June 30, 2013, and during future bienniums; and

(2) any draft legislation that is required to implement the improvements.

(b) The commissioner of administration, in consultation with the commissioner of management and budget and affected agency heads, must identify general fund savings that will occur in executive branch agencies during the biennium ending June 30, 2013, as a result of implementing initiatives identified in the benchmarking report and as a result of consolidation of executive branch information technology services after July 1, 2011. The commissioner of administration may transfer general fund appropriations from agencies in which the savings occurred to the Department of Administration, in an aggregate amount not to exceed the cost of the contract for the benchmark study in section 2.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective the day following final enactment."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "requiring a benchmarking study on"

Page 1, line 4, after the semicolon, insert "requiring a report on improvement initiatives."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 867, A bill for an act relating to drivers' licenses; modifying and clarifying provisions relating to instruction permits; appropriating money; amending Minnesota Statutes 2010, sections 171.05, subdivision 2; 171.06, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 171.05, subdivision 2, is amended to read:

Subd. 2. **Person less than 18 years of age.** (a) Notwithstanding any provision in subdivision 1 to the contrary, the department may issue an instruction permit to an applicant who is 15, 16, or 17 years of age and who:

(1) has completed a course of driver education in another state, has a previously issued valid license from another state, or ~~is enrolled in either:~~

(i) the applicant is enrolled in behind-the-wheel training in a public, private, or commercial driver education program that utilizes simulation or behind-the-wheel instruction and that is approved by the commissioner of public safety; and

(ii) the applicant:

(A) has successfully completed the classroom phase of instruction in a public, private, or commercial driver education program that is approved by the commissioner of public safety and that includes classroom and behind-the-wheel training; or;

(ii) an approved behind-the-wheel driver education program (B) has successfully completed home-school driver training, when the student is receiving full-time instruction in a home school within the meaning of sections 120A.22 and 120A.24, the student is working toward a homeschool diploma, the student is taking home-classroom driver training with classroom materials approved by the commissioner of public safety, and the student's parent has certified the student's ~~homeschool~~ home school and home-classroom driver training status on the form approved by the commissioner; or

(C) concurrent to the instruction under item (i), is enrolled in the classroom phase of instruction in a public, private, or commercial driver education program that is approved by the commissioner of public safety, and completes 15 hours of classroom instruction;

~~(2) has completed the classroom phase of instruction in the driver education program;~~

~~(3)~~ (2) has passed a test of the applicant's eyesight;

~~(4)~~ (3) has passed a department-administered test of the applicant's knowledge of traffic laws;

~~(5)~~ (4) has completed the required application, which must be approved by (i) either parent when both reside in the same household as the minor applicant or, if otherwise, then (ii) the parent or spouse of the parent having custody or, in the event there is no court order for custody, then (iii) the parent or spouse of the parent with whom the minor is living or, if items (i) to (iii) do not apply, then (iv) the guardian having custody of the minor, ~~(v) the foster parent or the director of the transitional living program in which the child resides~~ or, in the event a person under the age of 18 has no living father, mother, or guardian, ~~or then (v) the foster parent or the director of the transitional living program in which the child resides~~ or, if items (i) to (v) do not apply or the minor applicant is married or otherwise legally emancipated, then (vi) the applicant's adult spouse, adult close family member, or adult employer; provided, that the approval required by this clause contains a verification of the age of the applicant and the identity of the parent, guardian, foster parent, program director, adult spouse, adult close family member, or adult employer; and

~~(6)~~ (5) has paid ~~the fee~~ all fees required in section 171.06, subdivision 2.

(b) For the purposes of determining compliance with the certification of paragraph (a), clause (1), item (ii), subitem (B), the commissioner may request verification of a student's homeschool status from the superintendent of the school district in which the student resides and the superintendent shall provide that verification.

(c) The instruction permit is valid for two years from the date of application and may be renewed upon payment of a fee equal to the fee for issuance of an instruction permit under section 171.06, subdivision 2."

Correct the title numbers accordingly

Amend the title as follows:

Page 1, line 3, after the first semicolon, delete "appropriating money;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1752, A bill for an act relating to capital investment; appropriating money for renovation of the Minnesota Telecenter Building in St. Paul; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column under "Appropriations" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spend for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of a capital nature or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j), or article XIV. Unless otherwise specified, money appropriated in this act for a capital program or project may be used to pay state agency staff costs that are attributed directly to the capital program or project in accordance with accounting policies adopted by the commissioner of management and budget. Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

**SUMMARY**

<u>University of Minnesota</u>	<u>\$30,000,000</u>
<u>Minnesota State Colleges and Universities</u>	<u>30,000,000</u>
<u>Natural Resources</u>	<u>30,000,000</u>
<u>Administration</u>	<u>221,000,000</u>
<u>Transportation</u>	<u>102,500,000</u>
<u>Public Facilities Authority</u>	<u>20,000,000</u>
<u>Bond Sale Expenses</u>	<u>433,000</u>
<b><u>TOTAL</u></b>	<b><u>\$433,933,000</u></b>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	<u>333,933,000</u>
<u>State Transportation Fund</u>	<u>100,000,000</u>

**APPROPRIATIONS**

Sec. 2. **UNIVERSITY OF MINNESOTA** **\$30,000,000**

To the Board of Regents of the University of Minnesota, to be spent in accordance with Minnesota Statutes, section 135A.046.

Sec. 3. **MINNESOTA STATE COLLEGES AND UNIVERSITIES** **\$30,000,000**

To the Board of Trustees of the Minnesota State Colleges and Universities, to be spent in accordance with Minnesota Statutes, section 135A.046.

Sec. 4. **NATURAL RESOURCES** **\$30,000,000**

To the commissioner of natural resources for the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161. Levee projects, to the extent practical, shall meet the state standard of three feet above the 100-year flood elevation. The commissioner shall determine

project priorities as appropriate, based on need. To the extent that the cost of a project exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Sec. 5. **ADMINISTRATION**

**\$221,000,000**

To the commissioner of administration to design the repair and restoration of the State Capitol building, including preparation of design guidelines and a historic structures report, to conduct hazardous materials abatement, and to restore and improve the Capitol building. The work is limited to that necessary to restoring building integrity and structural soundness. This appropriation must not be used for furnishings or equipment unrelated to structural integrity and soundness. Minnesota Statutes, section 16B.35, does not apply to this section. Construction work must be sequenced so that the House and Senate chambers are inaccessible during no more than one even-numbered year session. This appropriation is available in the following amounts: \$60,000,000 in each fiscal year 2013 to 2015 and \$41,000,000 in fiscal year 2016. For the purposes of Minnesota Statutes, section 16A.642, the first day of the fiscal year in which an amount is first available, as provided in this paragraph, is the date the commissioner of management and budget shall use in place of the date of enactment of this section.

Sec. 6. **TRANSPORTATION**

Subdivision 1. **Total Appropriation**

**\$102,500,000**

This appropriation is to the commissioner of transportation for the purposes specified in this section.

Subd. 2. **Local Bridge Replacement and Rehabilitation**

50,000,000

This appropriation is from the bond proceeds account in the state transportation fund to match federal money and to replace or rehabilitate local deficient bridges as provided in Minnesota Statutes, section 174.50. To the extent practicable, the commissioner shall expend the funds as provided under Minnesota Statutes, section 174.50, subdivisions 6c and 7, paragraph (c).

Political subdivisions may use grants made under this subdivision to construct or reconstruct bridges, including but not limited to:

(1) matching federal aid grants to construct or reconstruct key bridges;

(2) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a;

(3) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made; and

(4) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more economical than replacement of the existing bridge.

**Subd. 3. Local Road Improvements**

50,000,000

Approximately one-half of the appropriation is for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4, and one-half is for grants to counties to assist in paying the costs of rural road safety capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a.

This appropriation is from the bond proceeds account in the state transportation fund as provided in Minnesota Statutes, section 174.50.

**Subd. 4. Railroad Warning Devices Replacement**

2,500,000

To design, construct, and equip the replacement of active highway rail grade crossing warning safety devices that have reached the end of their useful life.

**Sec. 7. PUBLIC FACILITIES AUTHORITY**

\$20,000,000

For grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

**Sec. 8. BOND SALE EXPENSES**

\$433,000

To the commissioner of management and budget for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

**Sec. 9. BOND SALE AUTHORIZATION.**

Subdivision 1. **Bond proceeds fund.** To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$333,933,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.



Subd. 2. **Transportation fund.** To provide the money appropriated in this act from the state transportation fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$100,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 10. **[116J.436] TRANSPORTATION ECONOMIC DEVELOPMENT INFRASTRUCTURE PROGRAM.**

Subdivision 1. **Grant program established; purpose.** The transportation economic development infrastructure program is created to foster interagency coordination between the Departments of Transportation and Employment and Economic Development to finance infrastructure to create economic development opportunities, jobs, and improve all types of transportation systems statewide.

Subd. 2. **Eligible projects.** Funds appropriated for the program must be used to fund construction, reconstruction, and infrastructure improvements that will promote economic development, increase employment, and improve transportation systems to accommodate private investment and job creation.

Subd. 3. **Trunk highway projects.** Money in the program shall not be used on trunk highway improvements, but can be used for needed infrastructure improvements and nontrunk highway improvements in coordination with trunk highway improvement projects undertaken by the Department of Transportation.

Subd. 4. **Application.** The commissioners of transportation and employment and economic development shall design an application process and selection process to distribute funding to local units of government for publicly owned infrastructure using criteria that take into account: job creation; increase in local tax base; level of private investment; leverage of nonstate funds; improvement to the transportation system to serve the project area; and appropriate geographic balance between the metropolitan area and greater Minnesota.

Sec. 11. Minnesota Statutes 2010, section 462A.21, is amended by adding a subdivision to read:

Subd. 33. **Housing infrastructure bonds account.** The agency may establish a housing infrastructure bond account as a separate account within the housing development fund. Proceeds of housing infrastructure bonds and payments made by the state under section 462A.37 may be credited to the account. The agency may transfer the proceeds of housing infrastructure bonds to other accounts within the housing development fund that it determines appropriate to accomplish the purposes for which the bonds are authorized under section 462A.37.

Sec. 12. **[462A.37] HOUSING INFRASTRUCTURE BONDS; AUTHORIZATION; STANDING APPROPRIATION.**

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

(b) "Abandoned property" has the meaning given in section 117.025, subdivision 5.

(c) "Community land trust" means an entity that meets the requirements of section 462A.31, subdivisions 1 and 2.

(d) "Debt service" means the amount payable in any fiscal year of principal, premium, if any, and interest on housing infrastructure bonds and the fees, charges, and expenses related to the bonds.

(e) "Foreclosed property" means residential property where foreclosure proceedings have been initiated or have been completed and title transferred or where title is transferred in lieu of foreclosure.

(f) "Housing infrastructure bonds" means bonds issued by the agency under chapter 462A that are qualified 501(c)(3) bonds, within the meaning of Section 145(a) of the Internal Revenue Code, or are tax-exempt bonds that are not private activity bonds, within the meaning of Section 141(a) of the Internal Revenue Code, for the purpose of financing or refinancing affordable housing authorized under this chapter.

(g) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

(h) "Supportive housing" means housing that is not time-limited and provides or coordinates with linkages to services necessary for residents to maintain housing stability and maximize opportunities for education and employment.

Subd. 2. **Authorization.** (a) The agency may issue up to \$10,000,000 in aggregate principal amount of housing infrastructure bonds in one or more series to which the payment made under this section may be pledged. The housing infrastructure bonds authorized in this subdivision may be issued to fund loans, on terms and conditions the agency deems appropriate, made for one or more of the following purposes:

(1) to finance the costs of the construction, acquisition, and rehabilitation of supportive housing for individuals and families who are without a permanent residence;

(2) to finance the costs of the acquisition and rehabilitation of foreclosed or abandoned housing to be used for affordable rental housing and the costs of new construction of rental housing on abandoned or foreclosed property where the existing structures will be demolished or removed;

(3) to finance that portion of the costs of acquisition of abandoned or foreclosed property that is attributable to the land to be leased by community land trusts to low- and moderate-income homebuyers; and

(4) to finance the costs of acquisition and rehabilitation of federally assisted rental housing and for the refinancing of costs of the construction, acquisition, and rehabilitation of federally assisted rental housing, including providing funds to refund, in whole or in part, outstanding bonds previously issued by the agency or another governmental unit to finance or refinance such costs.

(b) Among comparable proposals for permanent supportive housing, preference shall be given to permanent supportive housing for individuals or families who: (1) either have been without a permanent residence for at least 12 months or at least four times in the last three years; or (2) are at significant risk of lacking a permanent residence for 12 months or at least four times in the last three years.

Subd. 3. **No full faith and credit.** The housing infrastructure bonds are not public debt of the state, and the full faith and credit and taxing powers of the state are not pledged to the payment of the housing infrastructure bonds or to any payment that the state agrees to make under this section. The bonds must contain a conspicuous statement to that effect.

Subd. 4. **Appropriation; payment to agency or trustee.** (a) The agency must certify annually to the commissioner of management and budget the actual amount of annual debt service on each series of bonds issued under subdivision 2.

(b) Each July 15, beginning in 2013 and through 2035, if any housing infrastructure bonds issued under subdivision 2 remain outstanding, the commissioner of management and budget must transfer to the affordable housing bond account established under section 462A.21, subdivision 33, the amount certified under paragraph (a), not to exceed \$740,000 annually. The amounts necessary to make the transfers are appropriated from the general fund to the commissioner of management and budget.

(c) The agency may pledge to the payment of the housing infrastructure bonds the payments to be made by the state under this section.

Sec. 13. Laws 2006, chapter 258, section 7, subdivision 23, as amended by Laws 2010, chapter 399, section 2, is amended to read:

Subd. 23. **Trail connections** 2,010,000

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

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

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

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

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

\$950,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority for land acquisition, engineering, construction, furnishing, and equipping of a ~~19-mile "Boundary Waters Connection" of the Mesabi Trail from Bearhead State Park to the International Wolf Center in Ely. This appropriation is contingent upon a matching contribution of \$950,000 from other sources, public or private.~~ segment of the Mesabi Trail from County Road 697 in Breitung Township east through Vermilion State Park. Notwithstanding Minnesota Statutes, section 85.019, no local match shall be required for this grant. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

Sec. 14. Laws 2006, chapter 258, section 17, subdivision 3, is amended to read:

Subd. 3. **Cedar Avenue Bus Rapid Transit (BRT)** 5,000,000

To the Metropolitan Council or for a grant to Dakota County for environmental studies, preliminary engineering, bus lane improvements, and transit station construction and improvements in the Cedar Avenue Bus Rapid Transit Corridor.

This appropriation may not be spent for capital improvements within a trunk highway right-of-way.

Sec. 15. Laws 2008, chapter 179, section 7, subdivision 27, as amended by Laws 2010, chapter 189, section 56, and Laws 2010, chapter 399, section 4, is amended to read:

**Subd. 27. State Trail Acquisition, Rehabilitation, and Development**

15,320,000

To acquire land for and to construct and renovate state trails under Minnesota Statutes, section 85.015.

\$970,000 is for the Chester Woods Trail from Rochester to Dover. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2016.

\$700,000 is for the Casey Jones Trail.

\$750,000 is for the Gateway Trail, to replace an at-grade crossing of the Gateway Trail at Highway 120 with a grade-separated crossing.

\$1,600,000 is for the Gitchi-Gami Trail between Silver Bay and Tettegouche State Park.

\$1,500,000 is for the Great River Ridge Trail from Plainview to Elgin to Eyota.

\$1,500,000 is for the Heartland Trail.

\$500,000 is for the Mill Towns Trail from Lake Byllesby Park to Cannon Falls.

\$150,000 is for the Mill Towns Trail within the city of Faribault.

\$1,500,000 is for the Minnesota River Trail from Appleton to Milan and to the Marsh Lake Dam. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until December 30, 2014.

\$2,000,000 is for the Paul Bunyan Trail from Walker to Guthrie.

\$250,000 is for the Root River Trail from Preston to Forestville State Park.

\$100,000 is for the Root River Trail, the eastern extension.

\$250,000 is for the Root River Trail, the eastern extension Wagon Wheel.

\$550,000 is to connect the Stagecoach Trail with the Douglas Trail in Olmsted County.

\$3,000,000 is to rehabilitate state trails.

For any project listed in this subdivision that the commissioner determines is not ready to proceed, the commissioner may allocate that project's money to another state trail project in this subdivision. The chairs of the house and senate committees with jurisdiction over environment and natural resources and legislators from the affected legislative districts must be notified of any changes.

Sec. 16. Laws 2008, chapter 179, section 17, subdivision 4, is amended to read:

Subd. 4. **Cedar Avenue Bus Rapid Transit** 4,000,000

To the Metropolitan Council or to the Council to grant to Dakota County, the Dakota County Regional Railroad Authority, or the Minnesota Valley Transit Authority to acquire land, or an interest in land, and to for design, environmental studies, preliminary engineering, bus lane improvements, layover and maintenance facilities, and transit station construction and improvements in the Cedar Avenue Bus Rapid Transit corridor in Dakota County. This appropriation may not be spent for capital improvements within a trunk highway right-of-way. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 3.

Sec. 17. Laws 2008, chapter 179, section 19, subdivision 4, as amended by Laws 2011, First Special Session chapter 12, section 34, is amended to read:

Subd. 4. **Minneapolis Veterans Home Campus**

**Building 17 HVAC Replacement** 1,155,000

To predesign, design, and construct improvements to heating, ventilation, air conditioning, and lighting systems and associated areas serving the south wing of Building 17. Any unspent funds from this appropriation may be used for the purposes provided under Laws 2010, chapter 189, section 19, subdivision 4, as amended by Laws 2010, chapter 399, section 8, and Laws 2011, First Special Session chapter 12, section 46.

Sec. 18. Laws 2008, chapter 179, section 21, subdivision 15, as amended by Laws 2008, chapter 365, section 22, and Laws 2008, chapter 370, section 6, is amended to read:

Subd. 15. **St. Cloud State University - National Hockey Center; HEAPR** 6,500,000

To the Board of Trustees of the Minnesota State Colleges and Universities to predesign, design, construct, furnish, and equip the renovation of and addition to the National Hockey Center or for

higher education asset preservation and replacement (HEAPR) pursuant to Minnesota Statutes, section 135A.046, at St. Cloud State University or systemwide. The board may use university and nonstate money for the remainder of the cost of the construction of the National Hockey Center project. Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds in this subdivision are available until June 30, 2016.

Sec. 19. Laws 2009, chapter 93, article 1, section 12, subdivision 2, is amended to read:

**Subd. 2. Transit Capital Improvement Program**

21,000,000

(a) To the Metropolitan Council. \$8,500,000 is for the state's share of costs for the Central Corridor light rail line for one or more of the following activities: preliminary engineering, final design, property acquisition, including improvements and betterments of a capital nature, relocation of utilities owned by public entities, and construction.

(b) Any remaining money from this appropriation is to implement one or more of the following capital improvements, which are not listed in a ranked order of priority. The council shall determine project priorities after consultation with the Counties Transit Improvement Board, and other stakeholders, as appropriate. The council shall seek geographic balance in the allotment of this appropriation where possible and maximize the use of all available federal money from the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and any other available federal money.

(1) Bottineau Boulevard Transit Way

For a grant to the Hennepin County Regional Railroad Authority for environmental work for Bottineau Transit Way corridor from the Hiawatha light rail and Northstar intermodal transit station in downtown Minneapolis to the vicinity of the Target development in northern Brooklyn Park or the Arbor Lakes retail area in Maple Grove.

(2) Cedar Avenue Bus Rapid Transit

To the Metropolitan Council or to the Council for a grant to Dakota County, the Dakota County Regional Rail Railroad Authority, or the Minnesota Valley Transit Authority to acquire real property and construct, for preliminary engineering, and to design and construct transit stations, layover and maintenance facilities, and roadway improvements for shoulder running bus lanes on County State-Aid Highway 23 in Apple Valley and Lakeville for the Cedar Avenue Bus Rapid Transit Way (BRT) in Dakota County.

(3) I-94 Corridor Transit Way

(i) For a grant to Washington County Regional Rail Authority for environmental work and preliminary engineering of transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(ii) To acquire property and construct transportation and transit improvements, including busways, park-and-rides, or rail transit, in the marked Interstate Highway 94 corridor.

(4) Red Rock Corridor Transit Way

To design, construct, and furnish park-and-ride lots for the Red Rock Corridor Transit Way between Hastings and Minneapolis via St. Paul, and any extension between Hastings and Red Wing.

(5) Riverview Corridor Transit Way

For a grant to the Ramsey County Regional Railroad Authority for environmental work and preliminary engineering for bus rapid transit in the Riverview corridor between the east side of St. Paul and the Minneapolis-St. Paul International Airport and the Mall of America.

(6) Robert Street Corridor Transit Way

To design and construct new passenger shelters and a bus layover facility, including rest rooms, break areas, and a passenger shelter, in the Robert Street Corridor Transit Way along or parallel to U.S. Highway 52 and Robert Street from within the city of St. Paul to Dakota County Road 42 in Rosemount.

(7) Rush Line Corridor Transit Way

For a grant to the Ramsey County Regional Railroad Authority to acquire land for, design, and construct park-and-ride or park-and-pool lots located along the Rush Line Corridor along I-35E/I-35 and Highway 61 from the Union Depot in downtown St. Paul to Hinckley.

(8) Southwest Corridor Transit Way

To prepare an environmental impact statement (EIS) and for preliminary engineering for the Southwest Transit Way Corridor, from the Hiawatha light rail in downtown Minneapolis to the vicinity of the Southwest Station transit hub in Eden Prairie. The Metropolitan Council may grant a portion of this appropriation to the Hennepin County Regional Railroad Authority for the EIS work.

## (9) Union Depot

For a grant to the Ramsey County Regional Railroad Authority to acquire land and structures, to renovate structures, and for design, engineering, and construction to revitalize Union Depot for use as a multimodal transit center in St. Paul. The center must be designed so that it facilitates a potential future connection of high-speed rail to Minneapolis.

(c) Of this amount, \$313,000 is for preliminary engineering and final design for betterments in the State Capitol area related to the Central Corridor light rail transit project. This money is not included in the Central Corridor light rail transit project budget.

Sec. 20. Laws 2010, chapter 189, section 18, subdivision 5, is amended to read:

**Subd. 5. Minnesota Sex Offender Program Treatment Facilities - Moose Lake**

47,500,000

To complete design for and to construct, furnish, and equip phase 2 of the Minnesota sex offender treatment program at Moose Lake. Upon substantial completion of this project, the unspent portion of this appropriation is available for asset preservation projects for the Moose Lake campus of the Minnesota sex offender program, including design and construction of a replacement water tower, abatement of hazardous materials, and the demolition of the existing water tower serving the Moose Lake sex offender program and the Department of Corrections Moose Lake facility. The water tower project must be cost-shared with the Department of Corrections.

Sec. 21. Laws 2010, chapter 189, section 21, subdivision 4, as amended by Laws 2010, chapter 399, section 9, is amended to read:

**Subd. 4. Redevelopment Account**

5,000,000

For purposes of the redevelopment account under Minnesota Statutes, sections 116J.571 to 116J.575.

\$2,000,000 is for a grant to the city of Lake Elmo. \$1,000,000 must be used to design and construct an expansion of the city's water pumping, storage, and distribution system to provide approximately 1,000 additional service hookups and replace a city well lost to contamination by perfluorochemicals (PFC's). \$1,000,000 must be used to design and construct the extension of a 16-inch sanitary sewer force main from the Metropolitan Council interceptor on Interstate Highway 94 to 30th Street to the proposed southern edge of the Lake Elmo Village area. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources.



To the extent funds are available, up to \$500,000 is for a grant to the city of Norwood Young America for public infrastructure improvements, expansion, and upgrades to the city wastewater collection and treatment system related to the location of a food manufacturing and processing facility within the city. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed to the project from nonstate sources, and that the food manufacturer/processor has entered into an agreement to locate a facility in the city.

Notwithstanding Minnesota Statutes, section 16A.642, grant number RDGP-06-0007-0-FY07, awarded in September 2006 to the city of Tower from an appropriation to the redevelopment account in Laws 2005, chapter 20, article 1, section 23, subdivision 11, is available until June 30, 2013.

Sec. 22. Laws 2010, chapter 189, section 24, subdivision 3, is amended to read:

**Subd. 3. County and Local Preservation Grants**

1,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in Minnesota Statutes, section 138.0525.

~~\$150,000 is for a grant to the city of South St. Paul to renovate the historically significant 1941 Navy Hangar at 310 Airport Road at Fleming Field in the city to meet life safety and building code requirements, subject to Minnesota Statutes, section 16A.695. No local match is required for this grant.~~

Sec. 23. Laws 2011, First Special Session chapter 12, section 3, subdivision 7, is amended to read:

**Subd. 7. Normandale Community College**

**Academic Partnership Center and Student Services**

21,984,000

To design, construct, furnish, and equip a new building for classrooms and offices ~~and to design, construct, furnish, and equip the renovation of the Student Services Building.~~

Sec. 24. Laws 2011, First Special Session chapter 12, section 3, subdivision 8, is amended to read:

**Subd. 8. NHED Mesabi Range Community and Technical College, Virginia**

**Iron Range Engineering Program Facilities**

3,000,000

To predesign, design, construct, furnish, and equip an addition to and renovation of existing space for the Iron Range engineering program, including laboratory spaces, other learning spaces, and improvements to the entrance, ~~and to acquire a privately owned housing facility on the campus.~~

Sec. 25. Laws 2011, First Special Session chapter 12, section 14, subdivision 2, is amended to read:

Subd. 2. **Transit Capital Improvement Program** 20,000,000

To the Metropolitan Council or for the Council to grant to Anoka County Regional Railroad Authority, Dakota County, Dakota County Regional Railroad Authority, Hennepin County, Hennepin County Regional Railroad Authority, Minnesota Valley Transit Authority, Ramsey County Regional Railroad Authority, or Washington County Regional Railroad Authority to perform environmental studies, preliminary engineering, acquire property or an interest in property, design or construct transitway facilities and infrastructure, including roadways, for the following transitway projects: Northstar Ramsey station, Gateway (I-94 East) corridor, Minneapolis Interchange facility, Red Rock corridor, Newport park-and-ride and station, Rush Line corridor, Robert Street corridor, 35W South Bus Rapid Transit, and Cedar Avenue Bus Rapid Transit.

Sec. 26. Laws 2011, First Special Session chapter 12, section 19, is amended to read:

Sec. 19. **PUBLIC FACILITIES AUTHORITY** \$20,000,000

**Wastewater Infrastructure Funding Program**

To the Public Facilities Authority for grants to eligible municipalities under the wastewater infrastructure funding program under Minnesota Statutes, section 446A.072.

Notwithstanding the criteria and requirements of Minnesota Statutes, section 446A.072, up to \$1,000,000 of this appropriation is for a grant to the city of Albert Lea to design, construct, and equip water and sewer utilities in the area of Broadway Avenue and Main Street. This project may include demolition of deteriorating concrete curbs, gutters, sidewalks, and streets above the utilities, and the construction costs to replace and rehabilitate the infrastructure.

Sec. 27. Laws 2011, First Special Session chapter 12, section 22, is amended to read:

Sec. 22. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2013, no more than ~~\$1,200,858,000~~ \$1,088,452,000 will need to be transferred ~~from the general fund~~ to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. Of the amount transferred, \$452,708,000 is from the general fund and \$635,744,000 is from the tobacco settlement bond proceeds fund. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 28. **LAKE SUPERIOR-POPLAR RIVER WATER DISTRICT.**

**Subdivision 1. Establishment.** The Lake Superior-Poplar River Water District is created as a municipal corporation, having the powers provided under Minnesota Statutes, chapters 110A; 429, notwithstanding any provision of chapter 110A to the contrary; and 444. Notwithstanding any law to the contrary, the district shall not have the power to issue general obligation bonds. Minnesota Statutes, sections 110A.04, 110A.07, and 110A.09 to 110A.18, shall not apply to the district or to the board created by this act.

**Subd. 2. Definitions.** For purposes of applying Minnesota Statutes, chapter 110A, to this act, "works" and "systems" shall include irrigation purposes, "court" is deemed to refer to the board of county commissioners; and "secretary of state" is deemed to refer to the county auditor.

**Subd. 3. Territory included in district.** The territory of the district shall include all lands within Sections 20, 21, 28, 29, 32, and 33 of Township 60 North, Range 3 West of the Fourth Principal Meridian. Additional territory may be added as provided in Minnesota Statutes, sections 110A.19 to 110A.22.

**Subd. 4. Payment of costs.** No person shall be obligated to purchase or be entitled to receive water from the district unless that person is a party to a contract to purchase water from the district. Excluding any initial capital investment funded by the state, all capital and operating expenses of the district shall be paid by the users in proportion to their use of water. The cost of distribution lines: (1) departing from the main water pipe from Lake Superior to the domestic water treatment plant to any user; or (2) from the water treatment plant to any user, shall be paid for by the user of the water either at the time of installation or by user charges that allow the district to recoup the full cost of the distribution lines and the cost of financing. Subject to this subdivision and the availability of water under any applicable permit with a state or federal agency, any owner of land within the district may contract with the district for the purchase of water.

**Subd. 5. Board of directors; elections.** (a) The district shall be governed by a board of directors which shall have not less than three nor more than 13 members. The district's initial directors shall be appointed by the Cook County Board of Commissioners, with one director representing the domestic water users to serve for three years; up to two directors representing the irrigation water users, one to serve for two years and one to serve for three years; and up to two directors representing the commercial, stock watering, and industrial users, one to serve for one year and one to serve for two years.

(b) The district's establishment shall take effect upon the Cook County Board of Commissioners' appointment of the initial directors. The initial directors shall meet for the purposes of organization within 30 days of their appointment. Thereafter, except as otherwise provided in this subdivision, directors shall be elected in accordance with Minnesota Statutes, section 110A.24, from election divisions comprised of domestic water users; irrigation water users, and commercial, stock watering, and industrial users. Each use classification shall be entitled to elect one director, plus one additional director if its expected water usage for the following fiscal year exceeds ten percent of total water usage. Each water user within each use classification shall be entitled to cast one vote for each one percent of expected water usage for the following fiscal year. A homeowner's association shall vote on behalf of its members if duly authorized by appropriate action by the association's members. Prior to each election, the board of directors shall determine the use classifications entitled to vote, the expected water use percentage of each user and of use classification for the following fiscal year, and the number of directors each such use classification is entitled to elect. The elections shall be conducted and supervised by the board of directors and ratified by the Cook County Board of Commissioners.

**Subd. 6. Termination of appropriation of water from Poplar River.** Notwithstanding any law to the contrary, 30 days after the works and systems to transport water from Lake Superior to Lutsen Mountains Corporation's snowmaking systems first become fully permitted and operational, the water district shall notify the commissioner of natural resources and all permits issued by the Department of Natural Resources to Lutsen

Mountains Corporation to use or appropriate water from the Poplar River shall terminate. For the purposes of section 30, paragraph (b), the commissioner of natural resources shall notify the revisor of statutes in writing when the permits have been terminated.

**EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after the governing body of Cook County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 29. **ACQUISITIONS FOR CANISTEO PROJECT.**

The commissioner of natural resources shall acquire, without undue delay, the land or interests in land that are needed to construct a conveyance system and other betterments to accommodate the water level and outflow of water level from the Canisteo mine pit. The commissioner may acquire the land or interests in land by eminent domain, including use of the possession procedures under Minnesota Statutes, section 117.042.

Sec. 30. **REPEALER.**

(a) Minnesota Rules, part 8895.0700, subpart 1, is repealed.

(b) Laws 2011, chapter 107, section 101, is repealed effective the day the permits have been terminated under section 28, subdivision 6. The commissioner of natural resources shall notify the revisor of statutes in writing when the permits have been terminated.

Sec. 31. **EFFECTIVE DATE.**

Except as otherwise provided, this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and for other improvements of a capital nature with certain conditions; establishing programs; authorizing the sale and issuance of state bonds; modifying previous appropriations; authorizing Cook County to form a district for the construction of water facilities and provision of water service; authorizing the commissioner of natural resources to make certain acquisitions of land or interests in land; appropriating money; amending Minnesota Statutes 2010, section 462A.21, by adding a subdivision; Laws 2006, chapter 258, sections 7, subdivision 23, as amended; 17, subdivision 3; Laws 2008, chapter 179, sections 7, subdivision 27, as amended; 17, subdivision 4; 19, subdivision 4, as amended; 21, subdivision 15, as amended; Laws 2009, chapter 93, article 1, section 12, subdivision 2; Laws 2010, chapter 189, sections 18, subdivision 5; 21, subdivision 4, as amended; 24, subdivision 3; Laws 2011, First Special Session chapter 12, sections 3, subdivisions 7, 8; 14, subdivision 2; 19; 22; proposing coding for new law in Minnesota Statutes, chapters 116J; 462A; repealing Laws 2011, chapter 107, section 101; Minnesota Rules, part 8895.0700, subpart 1."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2685, A bill for an act relating to transportation; modifying provisions governing transportation policy and finance, including trunk highway designation, work and contracting on trunk highways, motor vehicles, motor vehicle weight limit regulations, motor vehicle titles, manufactured home titles, driver's education, metropolitan area transit service and fares, bridge inspections, brake requirements, special veterans license plates, pupil transportation,

municipal state-aid street fund eligibility and apportionment, small vehicle passenger service, driver and vehicle information system, deputy registrars of motor vehicles, civilian escort drivers, bicycle equipment, school buses, small business contracts, and legislative reports; making contingent appropriations; setting fees; renumbering statutes; making technical changes; amending Minnesota Statutes 2010, sections 13.72, by adding a subdivision; 160.27, by adding a subdivision; 160.2715; 161.14, by adding a subdivision; 161.20, subdivision 4; 161.321; 161.3212; 162.09, by adding a subdivision; 165.01; 165.03; 168.013, subdivision 3; 168.10, subdivision 1a; 168.185; 168A.01, subdivision 16, by adding subdivisions; 168A.02, subdivision 3; 168A.04, subdivisions 1, 5; 168A.05, subdivisions 1, 1a, 1b, 3; 168A.09, by adding a subdivision; 168A.141, subdivision 1; 168A.15, subdivision 2; 169.06, subdivision 4; 169.222, subdivision 6; 169.4501, subdivisions 1, 2; 169.4503, subdivisions 5, 20, by adding subdivisions; 169.4582, subdivision 2; 169.72, subdivision 1; 169.801, subdivision 10; 169.81, subdivision 3; 169.86, subdivision 3b; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 171.02, subdivision 2b; 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by adding a subdivision; 299D.09; 325F.6644, subdivision 2; 473.388, subdivisions 2, 4; Minnesota Statutes 2011 Supplement, sections 168.123, subdivision 1; 171.05, subdivision 2; 171.06, subdivision 2; 299A.705, subdivision 3; Laws 2009, chapter 158, section 10; Laws 2011, First Special Session chapter 3, article 1, section 4; proposing coding for new law in Minnesota Statutes, chapters 161; 168A; 171; repealing Minnesota Statutes 2010, sections 169.441, subdivision 5; 169.445, subdivision 2; 169.454, subdivision 10; Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 5, delete section 5 and insert:

"Sec. 4. Minnesota Statutes 2010, section 161.20, subdivision 4, is amended to read:

Subd. 4. **Debt collection.** The commissioner shall make reasonable and businesslike efforts to collect money owed for licenses, fines, penalties, and permit fees or arising from damages to state-owned property or other causes related to the activities of the Department of Transportation. Upon specific request, the commissioner of public safety shall provide to the commissioner of transportation accident reports involving damage to identified state-owned infrastructure. The commissioner may contract for debt collection services for the purpose of collecting a money judgment or legal indebtedness. The commissioner may enter into an agreement with the commissioner of public safety to use debt collection services authorized by this subdivision when civil penalties relating to the use of highways have been reduced to money judgment. Money received as full or partial payment shall be deposited to the appropriate fund. When money is collected through contracted services, the commissioner may make payment for the service from the money collected. The amount necessary for payment of contractual collection costs is appropriated from the fund in which money so collected is deposited."

Page 11, delete section 10 and insert:

"Sec. 9. Minnesota Statutes 2010, section 161.321, is amended to read:

#### **161.321 SMALL BUSINESS CONTRACTS.**

Subdivision 1. **Definitions.** For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding except as otherwise provided in this section.

(b) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(c) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in paragraph (b).

(d) "Targeted group business" means a business designated under section 16C.16, subdivision 5.

(e) "Veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Small targeted group business, small business set-asides; contract preferences.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to small targeted group businesses ~~and veteran-owned small businesses.~~

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid. ~~The commissioner may designate a contract for construction work for award only to veteran-owned small businesses if the commissioner determines that at least three veteran-owned small businesses are likely to bid.~~

~~(c) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses or veteran-owned small businesses.~~

~~(d)~~ (c) The commissioner may award up to a four percent preference in the amount bid ~~on procurement for~~ specified construction work to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Subd. 2a. **Small targeted group business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to small targeted group businesses. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses are not reasonably available. The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who fail to make good faith efforts to meet the goals set under this subdivision.

(b) The small targeted group business subcontracting requirements of this subdivision do not apply to prime contractors who are small targeted group businesses.

Subd. 2b. **Veteran-owned small business; contract preferences.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to veteran-owned small businesses, except when prohibited by the federal government as a condition of receiving federal funds. When a bid preference is provided under this subdivision, the percentage of preference in bid amount may not be less than the percentage of bid preference provided to any small targeted group business under subdivision 2.

(b) When a bid preference is provided under this subdivision, the commissioner must be as inclusive as possible in specifying contracts for construction work, as well as for construction-related professional and technical services, available under this bid preference program for veteran-owned small businesses. The term "construction" must be given broad meaning for purposes of specifying and letting contracts for veteran-owned small businesses and must include, but is not limited to, preplanning, planning, and all other construction-related professional and technical services.

(c) When a bid preference is provided under this subdivision, the commissioner must strive to ensure that contracts will be awarded on a proportional basis with contracts awarded under subdivision 2.

(d) The commissioner may designate a contract for construction work for award only to veteran-owned small businesses, if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

Subd. 2c. **Veteran-owned small business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to veteran-owned small businesses, except when prohibited by federal law or rule as a condition of receiving federal funds. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who have not been granted a waiver and fail to meet goals set under this subdivision.

(b) The subcontracting requirements of this subdivision do not apply to prime contractors who are veteran-owned small businesses.

Subd. 3. **Small targeted group business subcontract awards to small businesses.** At least 75 percent of subcontracts awarded to small targeted group businesses must be performed by the business to which the subcontract is awarded or another small targeted group business.

Subd. 3a. **Veteran-owned small business; subcontract awards.** At least 75 percent of subcontracts awarded to veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

Subd. 4. **Contract awards, limitations.** Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by the commissioner of administration.

Subd. 4a. **Small targeted group business; limited duration and reevaluation.** The commissioner shall cooperate with the commissioner of administration to periodically reevaluate the targeted group businesses to determine whether there is a statistical disparity between the percentage of construction contracts awarded to businesses owned by targeted group members and the representation of businesses owned by targeted group members among all businesses in the state in the construction category. The commissioner of administration shall designate targeted groups pursuant to section 16C.16, subdivision 5.

Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 ~~and 3~~ to 4a, the award may be placed pursuant to the normal solicitation and award provisions set forth in this chapter and chapter 16C.

Subd. 6. **Rules; eligibility.** (a) The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

(b) In addition to other eligibility requirements, a small targeted group business or veteran-owned small business is eligible for the bid preferences under this section only for eight years following the latest of:

(1) the effective date of this section;

(2) for a targeted group business, the date of initial certification by the commissioner of administration, as provided under section 16C.19;

(3) for a veteran-owned small business, the date of initial certification by the United States Department of Veterans Affairs, as provided under section 16C.19, paragraph (d); or

(4) for a veteran-owned small business, the release or discharge of any one of the owners from military active service, as defined in section 190.05, subdivision 5, lasting for a period of 179 days or longer.

Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase from small targeted group businesses and veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report by commissioner Reporting.** ~~(a) The commissioner of transportation shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner of administration.~~

(b) By February 1 of each even-numbered year, the commissioner of transportation shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and veterans policy and finance concerning contract awards during the preceding biennium under this section. At a minimum, the report must include:

(1) a summary of the program;

(2) a review of the use of preferences for contracting during the preceding biennium, including frequency of establishment of a preference and frequency and amount of contract awards to:

(i) small targeted group businesses; and

(ii) veteran-owned small businesses;

(3) a review of goals and good faith efforts to use small targeted group businesses and veteran-owned small businesses in subcontracts, including analysis of methods used for, and effectiveness of, good faith efforts;

(4) a summary of any financial incentives used or sanctions imposed;

(5) agency commentary on any perceived impediments, whether statutory, administrative, or otherwise, that may be limiting the participation of small targeted group businesses and veteran-owned small businesses in the agency's contract preference program;

(6) information on each reevaluation under subdivision 4a, including details on the methodology for reevaluation; and

(7) any recommendations for legislative or programmatic changes.



Subd. 9. **Veteran-owned small business; purpose.** The purpose of the state contracting bid preference program for veteran-owned small businesses is to facilitate the healthy transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices including, but not limited to, their sacrifice of health and time to the state and nation during their military service, as well as to enhance economic development within Minnesota.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to contracts let on or after July 1, 2012."

Page 19, after line 29, insert:

"Sec. 14. Minnesota Statutes 2010, section 168.002, subdivision 19, is amended to read:

Subd. 19. **Motorcycle.** ~~"Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including motor scooters and bicycles with motor attached, other than those vehicles defined as motorized bicycles in subdivision 20, but excluding a tractor~~ has the meaning given in section 169.011, subdivision 44.

Sec. 15. Minnesota Statutes 2010, section 168.002, subdivision 20, is amended to read:

Subd. 20. **Motorized bicycle.** ~~"Motorized bicycle" means a bicycle that is propelled by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic centimeters or less, and a maximum of two brake horsepower, which is capable of a maximum speed of not more than 30 miles per hour on a flat surface with not more than one percent grade in any direction when the motor is engaged. "Motorized bicycle" includes an electric-assisted bicycle as defined in section 169.011, subdivision 27~~ has the meaning given in section 169.011, subdivision 45.

Sec. 16. Minnesota Statutes 2010, section 168.012, is amended by adding a subdivision to read:

Subd. 2d. **Electric-assisted bicycles.** Electric-assisted bicycles must not be taxed as motor vehicles using the public streets and highways, and are exempt from the provisions of this chapter."

Page 22, delete section 16 and insert:

"Sec. 18. Minnesota Statutes 2010, section 168.013, is amended by adding a subdivision to read:

Subd. 22. **Optional donation for education on anatomical gifts.** As part of procedures for payment of the vehicle registration tax under this section, the commissioner shall allow a vehicle owner to add to the tax a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075, for in-person transactions conducted by a deputy registrar appointed under section 168.33, subdivision 2. This subdivision applies to annual renewal registrations only, and does not apply to registrations authorized under sections 168.053 to 168.057, 168.127, 168.187, and 168.27.

**EFFECTIVE DATE.** This section is effective January 1, 2013.

Sec. 19. Minnesota Statutes 2011 Supplement, section 168.12, subdivision 5, is amended to read:

Subd. 5. **Additional fee.** (a) In addition to any fee otherwise authorized or any tax otherwise imposed upon any vehicle, the payment of which is required as a condition to the issuance of any plate or plates, the commissioner shall impose the fee specified in paragraph (b) that is calculated to cover the cost of manufacturing and issuing the plate or plates, except for plates issued to disabled veterans as defined in section 168.031 and plates issued pursuant to section 168.124, 168.125, or 168.27, subdivisions 16 and 17, for passenger automobiles. The commissioner shall issue graphic design plates only for vehicles registered pursuant to section 168.017 and recreational vehicles registered pursuant to section 168.013, subdivision 1g.

(b) Unless otherwise specified or exempted by statute, the following plate and validation sticker fees apply for the original, duplicate, or replacement issuance of a plate in a plate year:

License Plate	Single	Double
Regular and Disability	\$4.50	\$6.00
Special	\$8.50	\$10.00
Personalized (Replacement)	\$10.00	\$14.00
Collector Category	\$13.50	\$15.00
Emergency Vehicle Display	\$3.00	\$6.00
Utility Trailer Self-Adhesive	\$2.50	
Vertical Motorcycle Plate	\$100.00	NA

#### Stickers

Duplicate year	\$1.00	\$1.00
International Fuel Tax Agreement	\$2.50	

(c) For vehicles that require two of the categories above, the registrar shall only charge the higher of the two fees and not a combined total.

~~(d) As part of procedures for payment of the fee under paragraph (b), the commissioner shall allow a vehicle owner to add to the fee, a \$2 donation for the purposes of public information and education on anatomical gifts under section 171.075.~~

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

Page 24, delete sections 20 and 21

Page 25, after line 16, insert:

"Sec. 24. Minnesota Statutes 2010, section 168A.03, subdivision 1, is amended to read:

Subdivision 1. **No certificate issued.** The registrar shall not issue a certificate of title for:

- (1) a vehicle owned by the United States;
- (2) a vehicle owned by a nonresident and not required by law to be registered in this state;
- (3) a vehicle owned by a nonresident and regularly engaged in the interstate transportation of persons or property for which a currently effective certificate of title has been issued in another state;
- (4) a vehicle moved solely by animal power;
- (5) an implement of husbandry;
- (6) special mobile equipment;
- (7) a self-propelled wheelchair or invalid tricycle;

(8) a trailer (i) having a gross weight of 4,000 pounds or less unless a secured party holds an interest in the trailer or a certificate of title was previously issued by this state or any other state or (ii) designed primarily for agricultural purposes except a recreational vehicle or a manufactured home, both as defined in section 168.002, subdivisions 16 and 27;

(9) a snowmobile; ~~and~~

(10) a spotter truck, as defined in section 169.011, subdivision 77; and

(11) an electric-assisted bicycle, as defined in section 169.011, subdivision 27."

Page 26, delete section 24

Page 27, delete section 28

Page 28, delete section 29

Page 29, before line 7, insert:

"Sec. 29. Minnesota Statutes 2010, section 168A.07, subdivision 1, is amended to read:

Subdivision 1. **Ownership at issue; certificate withheld or bond filed.** In the event application is made in this state for a certificate of title on a vehicle and the department is not satisfied as to the ownership of the vehicle or the existence of security interests therein, the vehicle may be registered but the department, subject to subdivision 1a, shall either:

(1) withhold issuance of a certificate of title until the applicant shall present documents reasonably sufficient to satisfy the department of the applicant's ownership of the vehicle and as to any security interest therein; or

(2) as a condition to issuing a certificate of title, require the applicant to file a bond in the form and amount provided in subdivision 1b.

Subd. 1a. **Ownership at issue; requirements for certificate issuance.** (a) In the event application is made in this state for a certificate of title on a vehicle with a model year designated by the manufacturer of more than five years prior to the year in which application is made, and the applicant is unable to establish sole ownership of the vehicle because one or more owners, prior owners, or lienholders cannot be found, the department shall issue a certificate of title to the applicant if the applicant submits:

(1) the application;

(2) a bond in the form and amount provided in subdivision 1b;

(3) an affidavit that identifies the make, model year, and vehicle identification number of the vehicle, and includes a statement that:

(i) the applicant is an owner of the vehicle;

(ii) the applicant has physical possession of the vehicle; and

(iii) in attempting to transfer interest in the vehicle or obtain a certificate of title or lien release, the applicant was unable after using due diligence to (A) determine the names or locations of one or more owners, prior owners, or lienholders; or (B) successfully contact one or more owners, prior owners, or lienholders known to the applicant; and

(4) payment for required taxes and fees.

(b) Unless the department has been notified of the pendency of an action to recover the bond under paragraph (a), clause (2), the department shall allow it to expire at the end of three years.

**Subd. 1b. Bond requirements.** A bond filed under this section must be in the form prescribed by the department and executed by the applicant, and either accompanied by the deposit of cash or executed by a surety company authorized to do business in this state, in an amount equal to 1-1/2 times the value of the vehicle as determined by the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest therein, or the successor in interest of any said person, against any expense, loss, or damage, including reasonable attorneys' fees, by reason of the issuance of the certificate of title to the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person shall have a right of action to recover on such bond for any breach of its conditions, but the aggregate liability of the surety to all such persons shall in no event exceed the amount of the bond. Unless the department has been notified of the pendency of an action to recover on the bond and if all questions as to ownership and outstanding security interests have been resolved to the satisfaction of the department, such bond, and any deposit accompanying it, shall be returned at the end of three years or prior thereto in the event the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered."

Page 31, delete section 32 and insert:

"Sec. 32. Minnesota Statutes 2010, section 169.011, subdivision 4, is amended to read:

Subd. 4. **Bicycle.** "Bicycle" means every device capable of being propelled solely by human power upon which any person may ride, having two tandem wheels ~~except scooters and similar devices,~~ and including any device generally recognized as a bicycle though equipped with two front or rear wheels. Bicycle does not include scooters, motorized foot scooters, or similar devices.

Sec. 33. Minnesota Statutes 2010, section 169.011, subdivision 27, is amended to read:

Subd. 27. **Electric-assisted bicycle.** "Electric-assisted bicycle" means a ~~motor vehicle~~ bicycle with two or three wheels that:

(1) has a saddle and fully operable pedals for human propulsion;

(2) meets the requirements:

(i) of federal motor vehicle safety standards for a motor-driven cycle in Code of Federal Regulations, title 49, sections 571.1 et seq.; or

(ii) for bicycles under Code of Federal Regulations, title 16, part 1512, or successor requirements; and

(3) has an electric motor that (i) has a power output of not more than 1,000 watts, (ii) is incapable of propelling the vehicle at a speed of more than 20 miles per hour, (iii) is incapable of further increasing the speed of the device when human power alone is used to propel the vehicle at a speed of more than 20 miles per hour, and (iv) disengages or ceases to function when the vehicle's brakes are applied.

Sec. 34. Minnesota Statutes 2010, section 169.011, subdivision 44, is amended to read:

Subd. 44. **Motorcycle.** "Motorcycle" means every motor vehicle having a seat or saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground, including motor scooters ~~and bicycles with motor attached, other than those vehicles defined as~~. Motorcycle does not include (1) motorized bicycles as defined in subdivision 45, but excluding (2) electric-assisted bicycles as defined in subdivision 27, or (3) a tractor.

Sec. 35. Minnesota Statutes 2010, section 169.011, subdivision 45, is amended to read:

Subd. 45. **Motorized bicycle.** "Motorized bicycle" means a bicycle that is propelled by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic centimeters or less, and a maximum of two brake horsepower, which is capable of a maximum speed of not more than 30 miles per hour on a flat surface with not more than one percent grade in any direction when the motor is engaged. "Motorized bicycle" ~~includes~~ does not include an electric-assisted bicycle as defined in subdivision 27."

Page 32, line 27, delete "~~and (4)~~" and insert "(4) has notified each statutory or home rule charter city through which the motorcycle group is proceeding; and (5)"

Page 32, line 28, delete "~~the city~~" and insert "any city of the first class"

Page 32, after line 33, insert:

"Sec. 37. Minnesota Statutes 2010, section 169.222, subdivision 4, is amended to read:

Subd. 4. **~~Riding on roadway or shoulder~~ rules.** (a) Every person operating a bicycle upon a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except under any of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private road or driveway;

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle shall travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.

(g) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail, if not otherwise prohibited."

Page 33, line 2, after "with" insert "(1)" and strike "shall emit" and insert "emits"

Page 33, line 3, after "front" insert a semicolon

Page 33, line 3, strike "with" and insert "(2)"

Pages 33 to 35, delete sections 35 to 41 and insert:

"Sec. 39. Minnesota Statutes 2010, section 169.222, is amended by adding a subdivision to read:

Subd. 6a. **Operator and passenger equipment.** No person under the age of 18 shall operate or ride an electric-assisted bicycle on a street or highway without wearing properly fitted and fastened headgear that (1) complies with standards established by the commissioner of public safety under section 169.974, subdivision 4; or (2) meets the standards under Code of Federal Regulations, title 16, part 1203, or successor requirements.

Sec. 40. Minnesota Statutes 2010, section 169.222, is amended by adding a subdivision to read:

Subd. 6b. **Operator age.** No person under the age of 15 shall operate an electric-assisted bicycle.

Sec. 41. Minnesota Statutes 2010, section 169.222, subdivision 7, is amended to read:

Subd. 7. **Sale with reflectors and other equipment.** No person shall sell or offer for sale any new bicycle unless it is equipped with reflectors and other equipment as required by subdivision 6, ~~clauses (a) and paragraphs (b) and (e)~~ and by ~~the~~ applicable regulations for new bicycles prescribed by the United States Consumer Product Safety Commission.

Sec. 42. Minnesota Statutes 2010, section 169.223, subdivision 1, is amended to read:

Subdivision 1. **Safety equipment; parking.** ~~Except as otherwise provided in this section,~~ Section 169.974 relating to motorcycles is applicable to motorized bicycles, except as otherwise provided in this section and except that:

(1) protective headgear includes headgear that meets the ~~American National Standard for Protective Headgear for Bicyclists, ANSI Z90.4 1984, approved by the American National Standards Institute, Inc.~~ standards under Code of Federal Regulations, title 16, part 1203, or successor requirements;

(2) a motorized bicycle equipped with a headlight and taillight meeting the requirements of lighting for motorcycles may be operated during nighttime hours;

(3) ~~except as provided in clause (5),~~ protective headgear is not required for operators 18 years of age or older; and

(4) the provisions of section 169.222, subdivision 9, governing the parking of bicycles apply to motorized bicycles;

~~(5) the operator of an electric assisted bicycle must wear properly fitted and fastened headgear that meets the American National Standard for Protective Headgear for Bicyclists, ANSI Z90.4 1984, approved by the American National Standards Institute, Inc., when operating the electric assisted bicycle on a street or highway; and~~

~~(6) eye protection devices are not required for operators of electric assisted bicycles.~~

Sec. 43. Minnesota Statutes 2010, section 169.223, subdivision 5, is amended to read:

Subd. 5. **Other operation requirements and prohibitions.** (a) A person operating a motorized bicycle on a roadway shall ride as close as practicable to the right-hand curb or edge of the roadway except in one of the following situations:

(1) when overtaking and passing another vehicle proceeding in the same direction;

(2) when preparing for a left turn at an intersection or into a private road or driveway; or

(3) when reasonably necessary to avoid conditions, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, that make it unsafe to continue along the right-hand curb or edge.

(b) Persons operating motorized bicycles on a roadway may not ride more than two abreast and may not impede the normal and reasonable movement of traffic. On a laned roadway, a person operating a motorized bicycle shall ride within a single lane.

(c) This section does not permit the operation of a motorized bicycle on a bicycle path or bicycle lane that is reserved for the exclusive use of nonmotorized traffic.

~~(d) Subject to the provisions of section 160.263, subdivision 3, a person may operate an electric assisted bicycle on a bicycle lane. A person may operate an electric assisted bicycle on the shoulder of a roadway if the electric assisted bicycle is traveling in the same direction as the adjacent vehicular traffic."~~

Page 37, delete section 44

Page 40, after line 8, insert:

"Sec. 50. Minnesota Statutes 2010, section 171.01, subdivision 41, is amended to read:

Subd. 41. **Motorized bicycle.** "Motorized bicycle" means a bicycle that is propelled by an electric or a liquid fuel motor of a piston displacement capacity of 50 cubic centimeters or less, and a maximum of two brake horsepower, which is capable of a maximum speed of not more than 30 miles per hour on a flat surface with not more than one percent grade in any direction when the motor is engaged. "Motorized bicycle" includes an electric-assisted bicycle as defined in section 169.011, subdivision 27 has the meaning given in section 169.011, subdivision 45."

Pages 42 to 44, delete sections 50 and 51 and insert:

"Sec. 52. Minnesota Statutes 2011 Supplement, section 171.075, subdivision 1, is amended to read:

Subdivision 1. **Anatomical gift account.** An anatomical gift account is established in the special revenue fund. The account consist of funds donated under sections ~~168.12~~ 168.013, subdivision ~~5~~ 22, and 171.06, subdivision 2, and any other money donated, allotted, transferred, or otherwise provided to the account. Money in the account is annually appropriated to the commissioner for (1) grants under subdivision 2, and (2) administrative expenses in implementing the donation and grant program.

**EFFECTIVE DATE.** This section is effective January 1, 2013."

Page 49, delete section 59 and insert:

"Sec. 60. **[375.771] VETERAN-OWNED SMALL BUSINESS CONTRACTS.**

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

(b) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding, except as otherwise provided in this section.

(c) "Contract" means an agreement entered into between a business entity and the county for procurement of goods and services including both technical and nontechnical goods and services, printing, and construction.

(d) "County board" or "board" has the meaning given in section 375.01.

(e) "County purchasing department" has the meaning given in section 375.72.

(f) "Director of purchasing" has the meaning given in section 375.74.

(g) "Subcontractor" means a business entity that enters into a legally binding agreement with another business entity that is a party to a contract as defined in paragraph (c).

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

(i) "Veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Policy; purpose; director.** (a) A county board may establish a program within the county in accordance with this section to provide a bid preference for awarding contracts to designated veteran-owned small businesses for the procurement of technical and nontechnical goods and services including, but not limited to, printing and construction, broadly defined to include all phases of the construction process.

(b) The purpose of this program is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices including, but not limited to, their sacrifice of health and time to the community, state, and nation during their military service, as well as to enhance economic development throughout Minnesota.

(c) The county board may direct the county director of purchasing, or other designated official within the county purchasing department, to administer this program in accordance with county policy established by the board.

Subd. 3. **Small business set-asides.** (a) The county director of purchasing may award up to a six percent preference in the amount bid for procurement of goods and services including, but not limited to, technical and nontechnical goods and services, printing, and construction to veteran-owned small businesses having their principal place of business in Minnesota.



(b) The board, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to veteran-owned small businesses. The board must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The board may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are veteran-owned small businesses.

Subd. 4. **Awards to small businesses.** At least 75 percent of subcontracts awarded to veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

Subd. 5. **Awards, limitations.** Contracts awarded under this section are subject to all limitations adopted by the board.

Subd. 6. **Recourse to other businesses.** If the director is unable to award a contract under subdivisions 3 and 4, the award may be placed under normal solicitation and award statutes and rules.

Subd. 7. **Noncompetitive bids.** The board is encouraged to purchase from veteran-owned small businesses designated under section 16C.16, subdivision 6a, when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report to board.** At the request of the county board, the county treasurer shall report to the board on compliance with this section. The information must be reported at the time and in the manner requested by the board.

**EFFECTIVE DATE.** This section is effective July 1, 2012, for contracts awarded by counties on or after that date."

Page 51, after line 28, insert:

"Sec. 63. Minnesota Statutes 2010, section 604A.21, subdivision 5, is amended to read:

Subd. 5. **Recreational purpose.** "Recreational purpose" includes, but is not limited to, hunting; trapping; fishing; swimming; boating; camping; picnicking; hiking; rock climbing; cave exploring; bicycling; horseback riding; firewood gathering; pleasure driving, including snowmobiling and the operation of any motorized vehicle or conveyance upon a road or upon or across land in any manner, including recreational trail use; nature study; water skiing; winter sports; noncommercial aviation activities; and viewing or enjoying historical, archaeological, scenic, or scientific sites. "Rock climbing" means the climbing of a naturally exposed rock face. "Cave exploring" means the planned exploration of naturally occurring cavities in rock, including passage through any structures placed for the purpose of safe access, access control, or conservation, but does not include the exploration of other man-made cavities such as tunnels, mines, and sewers."

Page 54, delete section 69

Page 56, delete section 72

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 5, delete "driver's education, metropolitan area"

Page 1, line 6, delete "transit service and fares," and insert "electric-assisted bicycles and related regulations,"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2860, A bill for an act relating to public safety; appropriating money for fire safety services.

Reported the same back with the following amendments:

Page 1, after line 3, insert:

"ARTICLE 1  
FIRE SAFETY ACCOUNT

Section 1. Minnesota Statutes 2011 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount; and

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5; ~~and,~~

~~(6) to the fire safety account in the special revenue fund, the amount necessary to restore transfers from the account to the general fund made in Laws 2010.~~

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 2. Minnesota Statutes 2010, section 297I.06, subdivision 1, is amended to read:

Subdivision 1. **Insurance policies surcharge.** (a) Except as otherwise provided in subdivision 2, each licensed insurer engaged in writing policies of homeowner's insurance authorized in section 60A.06, subdivision 1, clause (1)(c), or commercial fire policies or commercial nonliability policies shall collect a surcharge as provided in this paragraph. Through June 30, 2012, the surcharge is equal to 0.65 percent of the gross premiums and assessments, less return premiums, on direct business received by the company, or by its agents for it, for homeowner's insurance policies, commercial fire policies, and commercial nonliability insurance policies in this state and beginning July 1, 2013, the surcharge is reduced to 0.5 percent.

(b) The surcharge amount collected under paragraph (a) or subdivision 2, paragraph (b), may not be considered premium for any other purpose. The surcharge amount under paragraph (a) must be separately stated on either a billing or policy declaration or document containing similar information sent to an insured.

(c) Amounts collected by the commissioner under this section must be deposited in the fire safety account established pursuant to subdivision 3.

Sec. 3. Minnesota Statutes 2011 Supplement, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. \$4,227,000 in fiscal year 2012, \$4,228,000 in fiscal year 2013, and \$2,368,000 in ~~each year thereafter~~ fiscal year 2012 and fiscal year 2013 is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

Sec. 4. Minnesota Statutes 2010, section 299F.012, subdivision 1, is amended to read:

Subdivision 1. **Authorized programs within department.** From the revenues appropriated from the fire safety account, established under section 297I.06, subdivision 3, the commissioner of public safety may expend funds for the activities and programs identified by the advisory committee established under subdivision 2 and recommended to the commissioner of public safety, consistent with the distribution of funds under subdivision 1a. The commissioner shall not expend funds without the recommendation of the advisory committee established under subdivision 2. These funds are to be used to provide resources needed for identified activities and programs of the Minnesota fire service and to ensure the State Fire Marshal Division responsibilities are fulfilled.

Sec. 5. Minnesota Statutes 2010, section 299F.012, is amended by adding a subdivision to read:

Subd. 1a. **Distribution of fire safety account.** (a) On June 30, 2013, any unallocated balance in the fire safety account under section 297I.06, subdivision 3, is appropriated to the commissioner of public safety to be allocated as follows: 45 percent of the unallocated balance for the State Fire Marshal Division, and 55 percent to be distributed according to the recommendations of the advisory committee under subdivision 2 for the Minnesota Board of Firefighter Training and Education and for fire-related regional response team programs and other fire service programs with potential for statewide impact.

(b) Beginning in fiscal year 2014 and thereafter, the revenue in the fire safety account under section 297I.06, subdivision 3, is appropriated to the commissioner of public safety to be allocated as follows: 45 percent of the unallocated balance for the State Fire Marshal Division, and 55 percent to be distributed according to the recommendations of the advisory committee under subdivision 2 for the Minnesota Board of Firefighter Training and Education and for fire-related regional response team programs and other fire service programs with potential for statewide impact.

ARTICLE 2  
FIRE SAFETY SERVICES APPROPRIATION"

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "regulating the fire safety account;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2967, A bill for an act relating to state government; updating the equalizing factors and threshold rates to reflect the changed adjusted net tax capacity tax base; updating education and human services appropriations for changes reflected in the February forecast; amending Minnesota Statutes 2010, sections 123B.53, subdivisions 4, 5; 123B.591, subdivision 3; 124D.20, subdivision 5; 124D.22, subdivision 3; 126C.10, subdivisions 13a, 35; 126C.41, subdivision 5; 126C.63, subdivision 8; 126C.69, subdivisions 2, 9; Minnesota Statutes 2011 Supplement, sections 123B.54; 123B.57, subdivision 4; Laws 2011, First Special Session chapter 11, article 1, section 36, subdivisions 2, 3, 4, 5, 6, 7, 10; article 2, section 50, subdivisions 2, 3, 4, 5, 6, 7, 9; article 3, section 11, subdivisions 2, 3, 4, 5; article 4, section 10, subdivisions 2, 3, 4, 6; article 5, section 12, subdivisions 2, 3, 4; article 6, section 2, subdivisions 2, 3, 5; article 7, section 2, subdivisions 2, 3, 4; article 8, section 2, subdivisions 2, 3; article 9, section 3, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 24, delete "\$21,727,000" and insert "\$22,103,000" and delete "\$24,201,000" and insert "\$24,219,000"

Page 6, delete article 2 and insert:

"ARTICLE 2  
EDUCATION SHIFT ADJUSTMENT

Section 1. Minnesota Statutes 2011 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than ~~90~~ 95 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount;

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5; and

(6) to the fire safety account in the special revenue fund, the amount necessary to restore transfers from the account to the general fund made in Laws 2010.

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 2. Minnesota Statutes 2011 Supplement, section 127A.45, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) "Other district receipts" means payments by county treasurers pursuant to section 276.10, apportionments from the school endowment fund pursuant to section 127A.33, apportionments by the county auditor pursuant to section 127A.34, subdivision 2, and payments to school districts by the commissioner of revenue pursuant to chapter 298.

(b) "Cumulative amount guaranteed" means the product of

(1) the cumulative disbursement percentage shown in subdivision 3; times

(2) the sum of

(i) the current year aid payment percentage of the estimated aid and credit entitlements paid according to subdivision 13; plus

(ii) 100 percent of the entitlements paid according to subdivisions 11 and 12; plus

(iii) the other district receipts.

(c) "Payment date" means the date on which state payments to districts are made by the electronic funds transfer method. If a payment date falls on a Saturday, a Sunday, or a weekday which is a legal holiday, the payment shall be made on the immediately preceding business day. The commissioner may make payments on dates other than those listed in subdivision 3, but only for portions of payments from any preceding payment dates which could not be processed by the electronic funds transfer method due to documented extenuating circumstances.

(d) The current year aid payment percentage equals 73 in fiscal year 2010 and 70 in fiscal year 2011, ~~and 60~~ 64.3 in fiscal ~~years~~ year 2012 and 70.2 in fiscal year 2013 and later.

Sec. 3. **BALANCES CANCELED TO GENERAL FUND; PAYMENT SCHEDULE ADJUSTED.**

Subdivision 1. **Balance canceled.** \$430,088,000 of the unobligated balance in the budget reserve account created in Minnesota Statutes, section 16A.152, subdivision 1a, is canceled to the general fund in fiscal year 2013.

Subd. 2. **Aid payment schedule adjusted.** If the commissioner of management and budget determines that modifications in the aid payment schedule would reduce the need for short-term borrowing, the commissioner of education may modify the aid payment metering schedule under Minnesota Statutes, section 127A.45, subdivision 3, to reduce the cumulative amounts paid during any payment period prior to June 30, 2013, provided that the reduced cumulative dollar amount paid may not be below the statutory amounts computed using an aid payment percentage of 64.3 for the current year aid payment amount and the cumulative amount reduced must not exceed \$430,088,000.

Sec. 4. **K-12 SHIFT APPROPRIATIONS.**

The amounts sufficient to fully fund the K-12 aid entitlements under Laws 2011, First Special Session chapter 11, adjusted to reflect the higher aid payment percentage under section 1, are appropriated in fiscal year 2013 from the general fund to the Department of Education.

ARTICLE 3  
FIRE SAFETY ACCOUNT

Section 1. Minnesota Statutes 2011 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. **Additional revenues; priority.** (a) If on the basis of a forecast of general fund revenues and expenditures, the commissioner of management and budget determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of management and budget must allocate money to the following accounts and purposes in priority order:

(1) the cash flow account established in subdivision 1 until that account reaches \$350,000,000;

(2) the budget reserve account established in subdivision 1a until that account reaches \$653,000,000;

(3) the amount necessary to increase the aid payment schedule for school district aids and credits payments in section 127A.45 to not more than 90 percent rounded to the nearest tenth of a percent without exceeding the amount available and with any remaining funds deposited in the budget reserve;

(4) the amount necessary to restore all or a portion of the net aid reductions under section 127A.441 and to reduce the property tax revenue recognition shift under section 123B.75, subdivision 5, by the same amount; and

(5) to the state airports fund, the amount necessary to restore the amount transferred from the state airports fund under Laws 2008, chapter 363, article 11, section 3, subdivision 5; ~~and,~~

~~(6) to the fire safety account in the special revenue fund, the amount necessary to restore transfers from the account to the general fund made in Laws 2010.~~

(b) The amounts necessary to meet the requirements of this section are appropriated from the general fund within two weeks after the forecast is released or, in the case of transfers under paragraph (a), clauses (3) and (4), as necessary to meet the appropriations schedules otherwise established in statute.

(c) The commissioner of management and budget shall certify the total dollar amount of the reductions under paragraph (a), clauses (3) and (4), to the commissioner of education. The commissioner of education shall increase the aid payment percentage and reduce the property tax shift percentage by these amounts and apply those reductions to the current fiscal year and thereafter.

Sec. 2. Minnesota Statutes 2010, section 297I.06, subdivision 1, is amended to read:

Subdivision 1. **Insurance policies surcharge.** (a) Except as otherwise provided in subdivision 2, each licensed insurer engaged in writing policies of homeowner's insurance authorized in section 60A.06, subdivision 1, clause (1)(c), or commercial fire policies or commercial nonliability policies shall collect a surcharge as provided in this paragraph. Through June 30, 2012, the surcharge is equal to 0.65 percent of the gross premiums and assessments, less return premiums, on direct business received by the company, or by its agents for it, for homeowner's insurance policies, commercial fire policies, and commercial nonliability insurance policies in this state and beginning July 1, 2013, the surcharge is reduced to 0.5 percent.

(b) The surcharge amount collected under paragraph (a) or subdivision 2, paragraph (b), may not be considered premium for any other purpose. The surcharge amount under paragraph (a) must be separately stated on either a billing or policy declaration or document containing similar information sent to an insured.

(c) Amounts collected by the commissioner under this section must be deposited in the fire safety account established pursuant to subdivision 3.

Sec. 3. Minnesota Statutes 2011 Supplement, section 297I.06, subdivision 3, is amended to read:

Subd. 3. **Fire safety account, annual transfers, allocation.** A special account, to be known as the fire safety account, is created in the state treasury. The account consists of the proceeds under subdivisions 1 and 2. \$4,227,000 in fiscal year 2012, and \$4,228,000 in fiscal year 2013, ~~and \$2,368,000 in each year thereafter~~ is transferred from the fire safety account in the special revenue fund to the general fund to offset the loss of revenue caused by the repeal of the one-half of one percent tax on fire insurance premiums.

Sec. 4. Minnesota Statutes 2010, section 299F.012, subdivision 1, is amended to read:

Subdivision 1. **Authorized programs within department.** From the revenues appropriated from the fire safety account, established under section 297I.06, subdivision 3, the commissioner of public safety may expend funds for the activities and programs identified by the advisory committee established under subdivision 2 and recommended to the commissioner of public safety, consistent with the distribution of funds under subdivision 1a. The commissioner shall not expend funds without the recommendation of the advisory committee established under subdivision 2. These funds are to be used to provide resources needed for identified activities and programs of the Minnesota fire service and to ensure the State Fire Marshal Division responsibilities are fulfilled.

Sec. 5. Minnesota Statutes 2010, section 299F.012, is amended by adding a subdivision to read:

Subd. 1a. **Distribution of fire safety account.** (a) On June 30, 2013, any unallocated balance in the fire safety account under section 297I.06, subdivision 3, is appropriated to the commissioner of public safety to be allocated as follows: 45 percent of the unallocated balance for the State Fire Marshal Division, and 55 percent to be distributed according to the recommendations of the advisory committee under subdivision 2 for the Minnesota Board of Firefighter Training and Education and for fire-related regional response team programs and other fire service programs with potential for statewide impact.

(b) Beginning in fiscal year 2014 and thereafter, the revenue in the fire safety account under section 297L.06, subdivision 3, is appropriated to the commissioner of public safety to be allocated as follows: 45 percent of the unallocated balance for the State Fire Marshal Division, and 55 percent to be distributed according to the recommendations of the advisory committee under subdivision 2 for the Minnesota Board of Firefighter Training and Education and for fire-related regional response team programs and other fire service programs with potential for statewide impact."

Page 17, line 13, delete "3" and insert "4"

Page 18, after line 15, insert:

"ARTICLE 5  
VETERANS AFFAIRS

Section 1. **COUNTY VETERAN SERVICE OFFICERS; APPROPRIATION.**

\$200,000 is appropriated in fiscal year 2013 from the general fund to the commissioner of veterans affairs for a grant to the Minnesota County Veteran Service Officers. The grant must be used for community outreach as defined in Minnesota Statutes, section 197.608, to all eligible veterans regarding the availability of benefits they have earned and especially those relating to posttraumatic stress disorder for all veterans, including World War II, Korean War, and Vietnam War era veterans. This is a onetime appropriation."

Amend the title as follows:

Page 1, line 3, delete "education and"

Page 1, line 5, before "amending" insert "making certain education shift adjustments; regulating the fire safety account; establishing a certain community outreach grant; appropriating money;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 1597, A bill for an act relating to military affairs; changing the small business set-aside program for veteran-owned small businesses; authorizing county set-aside programs for veteran-owned small businesses; changing the award to veteran-owned businesses in state procurement biddings; adding veterans to special emphasis in state job recruitment; increasing credits for veterans in examination ratings in hiring; changing pay differential salary for school district employees who are members of the National Guard or other reserve unit on active duty; providing civil actions; amending Minnesota Statutes 2010, sections 1.05, by adding a subdivision; 16C.16, subdivision 6a; 43A.09; 161.321, subdivisions 2, 5, by adding subdivisions; 197.455, subdivisions 4, 5; 471.975; proposing coding for new law in Minnesota Statutes, chapter 375.

Reported the same back with the following amendments:



Delete everything after the enacting clause and insert:

"ARTICLE 1  
DEPARTMENT OF TRANSPORTATION CONTRACTING

Section 1. Minnesota Statutes 2010, section 161.321, is amended to read:

**161.321 SMALL BUSINESS CONTRACTS.**

Subdivision 1. **Definitions.** For purposes of this section the following terms have the meanings given them, except where the context clearly indicates a different meaning is intended.

(a) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding except as otherwise provided in this section.

(b) "Contract" means an agreement entered into between a business entity and the state of Minnesota for the construction of transportation improvements.

(c) "Subcontractor" means a business entity which enters into a legally binding agreement with another business entity which is a party to a contract as defined in paragraph (b).

(d) "Targeted group business" means a business designated under section 16C.16, subdivision 5.

(e) "Veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Small targeted group business, small business set-asides; contract preferences.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to small targeted group businesses ~~and veteran-owned small businesses.~~

(b) The commissioner may designate a contract for construction work for award only to small targeted group businesses if the commissioner determines that at least three small targeted group businesses are likely to bid. ~~The commissioner may designate a contract for construction work for award only to veteran-owned small businesses if the commissioner determines that at least three veteran-owned small businesses are likely to bid.~~

~~(c) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to small targeted group businesses and veteran-owned small businesses. The commissioner must establish a procedure for granting waivers from the subcontracting requirement when qualified small targeted group businesses and veteran-owned small businesses are not reasonably available. The commissioner may establish financial incentives for prime contractors who exceed the goals for use of subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are small targeted group businesses or veteran-owned small businesses.~~

~~(d)~~ (c) The commissioner may award up to a four percent preference in the amount bid ~~on procurement for~~ specified construction work to small businesses located in an economically disadvantaged area as defined in section 16C.16, subdivision 7.

Subd. 2a. **Small targeted group business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to small targeted group businesses. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting

requirement when qualified small targeted group businesses are not reasonably available. The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who fail to make good faith efforts to meet the goals set under this subdivision.

(b) The small targeted group business subcontracting requirements of this subdivision do not apply to prime contractors who are small targeted group businesses.

Subd. 2b. **Veteran-owned small business; contract preferences.** (a) The commissioner may award up to a six percent preference in the amount bid for specified construction work to veteran-owned small businesses, except when prohibited by the federal government as a condition of receiving federal funds. When a bid preference is provided under this subdivision, the percentage of preference in bid amount may not be less than the percentage of bid preference provided to any small targeted group business under subdivision 2.

(b) When a bid preference is provided under this subdivision, the commissioner must be as inclusive as possible in specifying contracts for construction work, as well as for construction-related professional and technical services, available under this bid preference program for veteran-owned small businesses. The term "construction" must be given broad meaning for purposes of specifying and letting contracts for veteran-owned small businesses and must include, but is not limited to, preplanning, planning, and all other construction-related professional and technical services.

(c) When a bid preference is provided under this subdivision, the commissioner must strive to ensure that contracts will be awarded on a proportional basis with contracts awarded under subdivision 2.

(d) The commissioner may designate a contract for construction work for award only to veteran-owned small businesses, if the commissioner determines that at least three veteran-owned small businesses are likely to bid.

Subd. 2c. **Veteran-owned small business; subcontracting goals.** (a) The commissioner, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract portions of the contract to veteran-owned small businesses, except when prohibited by federal law or rule as a condition of receiving federal funds. Prime contractors must demonstrate good faith efforts to meet the project goals. The commissioner shall establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The commissioner may establish (1) financial incentives for prime contractors who exceed the goals set for the use of subcontractors under this subdivision; and (2) sanctions for prime contractors who have not been granted a waiver and fail to meet goals set under this subdivision.

(b) The subcontracting requirements of this subdivision do not apply to prime contractors who are veteran-owned small businesses.

Subd. 3. **Small targeted group business subcontract awards to small businesses.** At least 75 percent of subcontracts awarded to small targeted group businesses must be performed by the business to which the subcontract is awarded or another small targeted group business.

Subd. 3a. **Veteran-owned small business; subcontract awards.** At least 75 percent of subcontracts awarded to veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

Subd. 4. **Contract awards, limitations.** Contracts awarded pursuant to this section are subject to all limitations contained in rules adopted by the commissioner of administration.

Subd. 4a. **Small targeted group business; limited duration and reevaluation.** The commissioner shall cooperate with the commissioner of administration to periodically reevaluate the targeted group businesses to determine whether there is a statistical disparity between the percentage of construction contracts awarded to businesses owned by targeted group members and the representation of businesses owned by targeted group members among all businesses in the state in the construction category. The commissioner of administration shall designate targeted groups pursuant to section 16C.16, subdivision 5.

Subd. 5. **Recourse to other businesses.** If the commissioner is unable to award a contract pursuant to the provisions of subdivisions 2 ~~and 3~~ to 4a, the award may be placed pursuant to the normal solicitation and award provisions set forth in this chapter and chapter 16C.

Subd. 6. **Rules; eligibility.** (a) The rules adopted by the commissioner of administration to define small businesses and to set time and other eligibility requirements for participation in programs under sections 16C.16 to 16C.19 apply to this section. The commissioner may promulgate other rules necessary to carry out this section.

(b) In addition to other eligibility requirements, a small targeted group business or veteran-owned small business is eligible for the bid preferences under this section only for eight years following the latest of:

(1) the effective date of this section;

(2) for a targeted group business, the date of initial certification by the commissioner of administration, as provided under section 16C.19;

(3) for a veteran-owned small business, the date of initial certification by the United States Department of Veterans Affairs, as provided under section 16C.19, paragraph (d); or

(4) for a veteran-owned small business, the release or discharge of any one of the owners from military active service, as defined in section 190.05, subdivision 5, lasting for a period of 179 days or longer.

Subd. 7. **Noncompetitive bids.** The commissioner is encouraged to purchase from small targeted group businesses and veteran-owned small businesses designated under section 16C.16 when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **~~Report by commissioner~~ Reporting.** (a) ~~The commissioner of transportation~~ shall report to the commissioner of administration on compliance with this section. The information must be reported at the time and in the manner requested by the commissioner of administration.

(b) By February 1 of each even-numbered year, the commissioner of transportation shall submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance and veterans policy and finance concerning contract awards during the preceding biennium under this section. At a minimum, the report must include:

(1) a summary of the program;

(2) a review of the use of preferences for contracting during the preceding biennium, including frequency of establishment of a preference and frequency and amount of contract awards to:

(i) small targeted group businesses; and

(ii) veteran-owned small businesses;

(3) a review of goals and good faith efforts to use small targeted group businesses and veteran-owned small businesses in subcontracts, including analysis of methods used for, and effectiveness of, good faith efforts;

(4) a summary of any financial incentives used or sanctions imposed;

(5) agency commentary on any perceived impediments, whether statutory, administrative, or otherwise, that may be limiting the participation of small targeted group businesses and veteran-owned small businesses in the agency's contract preference program;

(6) information on each reevaluation under subdivision 4a, including details on the methodology for reevaluation; and

(7) any recommendations for legislative or programmatic changes.

Subd. 9. **Veteran-owned small business; purpose.** The purpose of the state contracting bid preference program for veteran-owned small businesses is to facilitate the healthy transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices including, but not limited to, their sacrifice of health and time to the state and nation during their military service, as well as to enhance economic development within Minnesota.

**EFFECTIVE DATE.** This section is effective the day following final enactment, and applies to contracts let on or after July 1, 2012.

ARTICLE 2  
AUTHORIZING COUNTIES FOR BID PREFERENCE  
FOR VETERAN-OWNED SMALL BUSINESSES

Section 1. **[375.771] VETERAN-OWNED SMALL BUSINESS CONTRACTS.**

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

(b) "Award" means the granting of a contract in accordance with all applicable laws and rules governing competitive bidding, except as otherwise provided in this section.

(c) "Contract" means an agreement entered into between a business entity and the county for procurement of goods and services including both technical and nontechnical goods and services, printing, and construction.

(d) "County board" or "board" has the meaning given in section 375.01.

(e) "County purchasing department" has the meaning given in section 375.72.

(f) "Director of purchasing" has the meaning given in section 375.74.

(g) "Subcontractor" means a business entity that enters into a legally binding agreement with another business entity that is a party to a contract as defined in paragraph (c).

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

(i) "Veteran-owned small business" means a business designated under section 16C.16, subdivision 6a.

Subd. 2. **Policy; purpose; director.** (a) A county board may establish a program within the county in accordance with this section to provide a bid preference for awarding contracts to designated veteran-owned small businesses for the procurement of technical and nontechnical goods and services including, but not limited to, printing and construction, broadly defined to include all phases of the construction process.

(b) The purpose of this program is to facilitate the transition of veterans from military to civilian life, and to help compensate veterans for their sacrifices including, but not limited to, their sacrifice of health and time to the community, state, and nation during their military service, as well as to enhance economic development throughout Minnesota.

(c) The county board may direct the county director of purchasing, or other designated official within the county purchasing department, to administer this program in accordance with county policy established by the board.

Subd. 3. **Small business set-asides.** (a) The county director of purchasing may award up to a six percent preference in the amount bid for procurement of goods and services including, but not limited to, technical and nontechnical goods and services, printing, and construction to veteran-owned small businesses having their principal place of business in Minnesota.

(b) The board, as a condition of awarding a construction contract, may set goals that require the prime contractor to subcontract a portion of the contract to veteran-owned small businesses. The board must establish a procedure for granting waivers from the subcontracting requirement when qualified veteran-owned small businesses are not reasonably available. The board may establish financial incentives for prime contractors who exceed the goals for use of veteran-owned small business subcontractors and financial penalties for prime contractors who fail to meet goals under this paragraph. The subcontracting requirements of this paragraph do not apply to prime contractors who are veteran-owned small businesses.

Subd. 4. **Awards to small businesses.** At least 75 percent of subcontracts awarded to veteran-owned small businesses must be performed by the business to which the subcontract is awarded or another veteran-owned small business.

Subd. 5. **Awards, limitations.** Contracts awarded under this section are subject to all limitations adopted by the board.

Subd. 6. **Recourse to other businesses.** If the director is unable to award a contract under subdivisions 3 and 4, the award may be placed under normal solicitation and award statutes and rules.

Subd. 7. **Noncompetitive bids.** The board is encouraged to purchase from veteran-owned small businesses designated under section 16C.16, subdivision 6a, when making purchases that are not subject to competitive bidding procedures.

Subd. 8. **Report to board.** At the request of the county board, the county treasurer shall report to the board on compliance with this section. The information must be reported at the time and in the manner requested by the board.

**EFFECTIVE DATE.** This section is effective July 1, 2012, for contracts awarded by counties on or after that date."

Delete the title and insert:

"A bill for an act relating to veterans; modifying certain Department of Transportation contracting requirements; authorizing counties to provide a bid preference for awarding contracts to veteran-owned small businesses; amending Minnesota Statutes 2010, section 161.321; proposing coding for new law in Minnesota Statutes, chapter 375."

With the recommendation that when so amended the bill pass.

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 418, 867, 1752, 2685, 2860 and 2967 were read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. No. 1597 was read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Falk introduced:

H. F. No. 3010, A bill for an act providing for public ownership of the Minnesota Vikings.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Mullery introduced:

H. F. No. 3011, A bill for an act relating to real estate; requiring that mortgage lenders who have foreclosed on real estate within a city must deed the property to the city in which it is located when the foreclosure has been completed; permitting the city to charge the lender for any costs of repair or demolition; requiring the lender to pay those charges; proposing coding for new law in Minnesota Statutes, chapter 582.

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

Mullery introduced:

H. F. No. 3012, A bill for an act relating to mortgage foreclosures; requiring certain calculations; requiring reduction in the mortgage loan balance under certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 582.

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

Mullery introduced:

H. F. No. 3013, A bill for an act relating to real estate; foreclosure forbearance for unemployed long-term homeowners; proposing coding for new law in Minnesota Statutes, chapter 580.

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

Mullery introduced:

H. F. No. 3014, A bill for an act relating to real property; providing homeowners facing foreclosure with information about the current owner of the mortgagee interest in the property, the current holder of the mortgage, and the third-party servicer of the mortgage loan if any; amending Minnesota Statutes 2010, section 580.022, subdivision 2.

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

Mullery introduced:

H. F. No. 3015, A bill for an act relating to real estate mortgage foreclosures; providing that future mortgage foreclosures by advertisement will not be effective; providing that a deficiency judgment will no longer be available on foreclosures of homestead property by action or advertisement; amending Minnesota Statutes 2010, sections 580.01; 582.30, subdivision 1.

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

Cornish introduced:

H. F. No. 3016, A bill for an act relating to public safety; requiring public notice and allowing public participation in release hearings for the murderers of peace officers; amending Minnesota Statutes 2010, section 244.05, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

Howes introduced:

H. F. No. 3017, A bill for an act relating to property tax; modifying the requirements for class 1c property; amending Minnesota Statutes 2011 Supplement, section 273.13, subdivision 22.

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

Cornish, Brynaert and Morrow introduced:

H. F. No. 3018, A bill for an act relating to local government; making the Blue Earth County library board advisory to the county board.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Slawik; Loon; Peterson, S.; Atkins and Ward introduced:

H. F. No. 3019, A bill for an act relating to early education; dedicating certain net increases in revenue to an early education scholarship program; proposing coding for new law in Minnesota Statutes, chapter 119B.

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

Dettmer and Runbeck introduced:

H. F. No. 3020, A bill for an act relating to sales and use tax; changing thresholds for filing requirements; providing a vendor allowance; requiring revenue to develop an address-based sales tax calculator; amending Minnesota Statutes 2010, sections 289A.18, subdivision 4; 289A.20, subdivision 4; 297A.77, subdivision 3; 297A.99, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 297A.

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

Beard introduced:

H. F. No. 3021, A bill for an act relating to human rights; requiring rulemaking for affirmative action goals in public contracts; amending Minnesota Statutes 2010, section 363A.37.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Hilty, Mariani, Greiling, Hausman, Gauthier, Hornstein, Winkler and Kahn introduced:

H. F. No. 3022, A joint resolution applying to Congress to call a constitutional convention to propose an amendment to the Constitution of the United States to clarify that the rights protected under the United States Constitution are the rights of natural persons and not the rights of artificial entities and to clarify that campaign contributions to influence elections are not speech under the First Amendment.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Clark; Allen; Gauthier; Liebling; Simon; Greiling; Mariani; Hausman; Mullery; Hilty; Winkler; Loeffler; Kahn; Moran; Murphy, E.; Hornstein; Laine; Davnie and Greene introduced:

H. F. No. 3023, A bill for an act relating to human services; prohibiting medical assistance coverage for reparative therapy; amending Minnesota Statutes 2010, section 256B.0625, by adding a subdivision.

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

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

RECESS

RECONVENED

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

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:



Mr. Speaker:

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

H. F. No. 2173, A bill for an act relating to consumer protection; clarifying the definition of home solicitation sale; amending Minnesota Statutes 2010, section 325G.06, subdivision 2.

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

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

S. F. No. 2392.

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.

CAL R. LUDEMAN, Secretary of the Senate

#### CONFERENCE COMMITTEE REPORT ON S. F. NO. 2392

A bill for an act relating to liquor; modifying liquor regulation; authorizing liquor licenses; amending Minnesota Statutes 2010, sections 340A.315, by adding a subdivision; 340A.404, subdivision 4a; 340A.412, subdivision 14; 340A.419, subdivision 2; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 340A.

April 18, 2012

The Honorable Michelle L. Fischbach  
President of the Senate

The Honorable Kurt Zellers  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2392 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2392 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 340A.315, is amended by adding a subdivision to read:

Subd. 8. **Bulk wine.** Farm wineries licensed under this section are permitted to purchase and use bulk wine, provided:

(1) the quantity of bulk wine in any farm winery's annual production shall not exceed ten percent of that winery's annual production;

(2) that bulk wine under section 340A.315, subdivision 4, shall be counted as a portion of the 49 percent of product that need not be Minnesota-grown and may be imported from outside Minnesota; and

(3) that the bulk wine must be blended and not directly bottled.

"Bulk wine," as used in this subdivision, means fermented juice from grapes, other fruit bases, or honey.

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

Sec. 2. Minnesota Statutes 2010, section 340A.315, is amended by adding a subdivision to read:

Subd. 9. **Agricultural land.** A farm winery license must be issued for operation of a farm winery on agricultural land, operating under an agricultural classification, zone, or conditional use permit. Farm wineries with licenses issued prior to March 1, 2012, are exempt from this provision.

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

Sec. 3. Minnesota Statutes 2010, section 340A.404, subdivision 4a, is amended to read:

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

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

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

(3) to the Board of Regents of the University of Minnesota for events at Northrop Auditorium, the intercollegiate football stadium, ~~or including any games played by the Minnesota Vikings at the stadium, and~~ at no more than seven other locations within the boundaries of the University of Minnesota, provided that the Board of Regents has approved an application for a license for the specified location and provided that a license for ~~an arena or an intercollegiate football stadium location~~ is void unless it ~~requires the sale or service of intoxicating liquor in a public portion consisting of at least one third of the general seating of a stadium or arena~~ meets the conditions of paragraph (b). It is solely within the discretion of the Board of Regents to choose the manner in which to carry out ~~this condition~~ these conditions consistent with the requirements of paragraph (b); and

(4) to the Duluth Entertainment and Convention Center Authority for beverage sales on the premises of the Duluth Entertainment and Convention Center Arena during intercollegiate hockey games.

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

(b) No alcoholic beverage may be sold or served at TCF Bank Stadium unless the Board of Regents holds an on-sale intoxicating liquor license for the stadium as provided in paragraph (a), clause (3), that provides for the sale of intoxicating liquor at a location in the stadium that is convenient to the general public attending an intercollegiate

football game at the stadium. On-sale liquor sales to the general public must be available at that location through half-time of an intercollegiate football game at TCF Bank Stadium, and sales at the stadium must comply with section 340A.909.

Sec. 4. Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a, is amended to read:

Subd. 5a. **Wine festival.** A municipality with the approval of the commissioner may issue a temporary license to a bona fide association of owners and operators of wineries sponsoring an annual festival to showcase wines produced by members of the association. The commissioner may only approve one temporary license in a calendar year for each qualified association under this subdivision. The license issued under this subdivision authorizes the sale of table, sparkling, or fortified wines produced by the wineries at on-sale by the glass, provided that no more than two glasses per customer may be sold, and off-sale by the bottle, provided that no more than six bottles in total per customer may be sold. The license also authorizes the dispensing of free samples of the wines offered for sale within designated premises of the festival. A license issued under this subdivision is subject to all laws and ordinances governing the sale, possession, and consumption of table, sparkling, or fortified wines. For purposes of this subdivision, a "bona fide association of owners and operators of wineries" means an association of more than ten wineries that has been in existence for more than two years at the time of application for the temporary license.

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

Sec. 5. **[340A.4042] WINE EDUCATOR; ON-SALE LICENSE.**

The commissioner may issue an on-sale license to a person meeting the requirements specified in sections 340A.402 and 340A.409, at an annual cost of \$250 per license to a wine educator and \$50 per permit for each employee of the wine educator that will be pouring wine, under the following conditions:

(1) the license may be used to purchase wine at retail and serve wine for educational purposes in any part of the state, unless a political subdivision adopts an ordinance prohibiting wine education;

(2) all events conducted pursuant to this license must be conducted through advance registration, and no walk-in access to the general public is permitted;

(3) licensees must possess certification that is satisfactory to the commissioner, including, but not limited to, a certified specialist of wine or certified wine educator status as conferred by the Society of Wine Educators, a Wine and Spirits Education Trust Diploma, status as a certified sommelier, or the completion of a wine industry program at a technical college or culinary school. A wine educator must also complete Training for Intervention Procedures (TIPS) or other certified alcohol training programs and have a valid certificate on file with the commissioner;

(4) a license holder shall not sell alcohol for off-premises consumption and no orders may be taken for future sales;

(5) classes shall not be conducted at retail businesses that do not have a liquor license during business hours; and

(6) prior to providing a class authorized under this section, the licensee shall notify the police chief of the city where the class will take place, if the event will take place within the corporate limits of a city. If the city has no police department, the licensee shall notify the city's clerk. If the class will take place outside the corporate limits of any city, the licensee shall notify the sheriff of the county where the class will take place.

Sec. 6. Minnesota Statutes 2010, section 340A.412, subdivision 14, is amended to read:

Subd. 14. **Exclusive liquor stores.** (a) Except as otherwise provided in this subdivision, an exclusive liquor store may sell only the following items:

- (1) alcoholic beverages;
- (2) tobacco products;
- (3) ice;
- (4) beverages, either liquid or powder, specifically designated for mixing with intoxicating liquor;
- (5) soft drinks;
- (6) liqueur-filled candies;
- (7) food products that contain more than one-half of one percent alcohol by volume;
- (8) cork extraction devices;
- (9) books and videos on the use of alcoholic beverages;
- (10) magazines and other publications published primarily for information and education on alcoholic beverages;
- (11) multiple-use bags designed to carry purchased items;
- (12) devices designed to ensure safe storage and monitoring of alcohol in the home, to prevent access by underage drinkers; ~~and~~
- (13) home brewing equipment; and
- (14) clothing marked with the specific name, brand, or identifying logo of the exclusive liquor store, and bearing no other name, brand, or identifying logo.

(b) An exclusive liquor store that has an on-sale, or combination on-sale and off-sale license may sell food for on-premise consumption when authorized by the municipality issuing the license.

(c) An exclusive liquor store may offer live or recorded entertainment.

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

Sec. 7. Minnesota Statutes 2010, section 340A.419, subdivision 2, is amended to read:

Subd. 2. **Tastings.** (a) Notwithstanding any other law, an exclusive liquor store may conduct a wine, malt liquor, or spirits tasting on the premises of a holder of an on-sale intoxicating liquor license that is not a temporary license or on the premises of a holder of a wine license under section 340A.404, subdivision 5, if the exclusive liquor store complies with this section.

(b) No wine, malt liquor, or spirits authorized for use under this section may be sold for off-premises consumption. A participant in the tasting may fill out a form indicating preferences for wine, malt liquor, or spirits. The form may be held on the premises of the exclusive liquor store to assist the participant in making an off-sale purchase at a later date.

(c) Notwithstanding any other law, an exclusive liquor store may purchase or otherwise obtain wine or spirits for a tasting conducted under this section from a wholesaler licensed to sell wine or spirits. The wholesaler may sell or give wine or spirits to an exclusive liquor store for a tasting conducted under this section and may provide personnel to assist in the tasting.

(d) An exclusive liquor store that conducts a tasting under this section must use any fees collected from participants in the tasting only to defray the cost of conducting the tasting.

(e) Notwithstanding section 340A.409, subdivision 4, the premises on which a tasting is conducted must be insured as required by section 340A.409, subdivision 1.

(f) Exclusive liquor stores may conduct classes for a fee and allow tastings in the conduct of those classes, provided that the amount served at a class is limited to the amount authorized under section 340A.4041.

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

Sec. 8. **WINNEBAGO EXEMPTION; OUT-OF-STATE CRAFT BREWER.**

Notwithstanding any law or ordinance to the contrary, an out-of-state brewer may import malt liquor for sale at retail on one day per calendar year, in the city of Winnebago, provided that the total production of malt liquor produced by the brewer in the prior calendar year was less than 5,000 barrels, and provided that the seller of the malt liquor holds an appropriate retail license. Malt liquor imported under this section must be registered in accordance with section 340A.311.

**EFFECTIVE DATE; SUNSET.** This section is effective upon approval by the Winnebago City Council and compliance with Minnesota Statutes, section 645.021, and expires on December 31, 2012.

Sec. 9. **ON-SALE LICENSE AUTHORIZED.**

Notwithstanding any law or ordinance to the contrary, in addition to the number of licenses authorized, the city of Moorhead may issue an on-sale intoxicating liquor license to the governing body of the Bluestem Center for the Arts for the premises known as the Bluestem Center for the Arts. The license shall authorize the dispensing of intoxicating liquor only to persons attending events on the licensed premises, and shall authorize consumption on the licensed premises only. The license may provide that the governing body of the Bluestem Center for the Arts may contract for intoxicating liquor catering service with the holder of an on-sale intoxicating liquor license issued by the city of Moorhead. The city council shall establish the fee for the license. All provisions of Minnesota Statutes, chapter 340A, governing alcoholic beverages not inconsistent with this law apply to the license.

**EFFECTIVE DATE.** This section is effective upon approval by the Moorhead City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 10. **SPECIAL PROVISION; CITY OF MINNEAPOLIS.**

(a) The city of Minneapolis may extend any interim zoning, liquor licensing, or other approvals granted to Kick's Liquor Store, Inc., a Minnesota corporation currently licensed as an exclusive liquor store doing business as Broadway Liquor Outlet at 2201 West Broadway, where the building housing the business at its current location was damaged beyond reasonable repair by the 2011 tornado, to permit the ongoing interim operation of the business in a temporary structure at the current location prior to the relocation of the business to a permanent facility located across the street at 2200-2220 West Broadway, or as this property is or may be more fully described in the property records of Hennepin County, notwithstanding limitations of law, local ordinances, or charter provisions relating to zoning or liquor licensing.

(b) The city of Minneapolis may grant, renew, or otherwise reissue the existing off-sale intoxicating liquor license to Kick's Liquor Store, Inc., doing business as Broadway Liquor Outlet, upon the relocation of the business to the permanent facility at 2200-2220 West Broadway or as this property is or may be more fully described in the property records of Hennepin County, notwithstanding limitations of law, local ordinances, or charter provisions relating to liquor licensing or contiguous zoning requirements.

**EFFECTIVE DATE.** This section is effective upon approval by the Minneapolis City Council and compliance with Minnesota Statutes, section 645.021.

Sec. 11. **EXPIRATION.**

The changes in section 3 to Minnesota Statutes, section 340A.404, subdivision 4a, expire July 1, 2014.

Sec. 12. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 340A.404, subdivision 5a, as Minnesota Statutes, section 340A.4175, and make any necessary cross-reference changes in Minnesota Statutes.

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

Delete the title and insert:

"A bill for an act relating to liquor; modifying liquor regulation; authorizing liquor licenses; amending Minnesota Statutes 2010, sections 340A.315, by adding subdivisions; 340A.404, subdivision 4a; 340A.412, subdivision 14; 340A.419, subdivision 2; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 340A."

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

Senate Conferees: CHRIS GERLACH, GEOFF MICHEL, DAN D. HALL, JOHN STERLING HOWE, and ROGER J. REINERT.

House Conferees: JOE ATKINS, SARAH ANDERSON, JOE HOPPE, TIM SANDERS and LEON LILLIE.

Atkins moved that the report of the Conference Committee on S. F. No. 2392 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2392, A bill for an act relating to liquor; modifying liquor regulation; authorizing liquor licenses; amending Minnesota Statutes 2010, sections 340A.315, by adding a subdivision; 340A.404, subdivision 4a; 340A.412, subdivision 14; 340A.419, subdivision 2; Minnesota Statutes 2011 Supplement, section 340A.404, subdivision 5a; proposing coding for new law in Minnesota Statutes, chapter 340A.

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 115 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Banaian	Benson, J.	Buesgens	Cornish
Anderson, D.	Anzelc	Barrett	Bills	Carlson	Crawford
Anderson, P.	Atkins	Beard	Brynaert	Champion	Daudt

Davids	Greiling	Kath	Mariani	Norton	Thissen
Davnie	Gunther	Kieffer	Marquart	O'Driscoll	Tillberry
Dean	Hackbarth	Kiel	Mazorol	Paymar	Torkelson
Dill	Hamilton	Kiffmeyer	McDonald	Pelowski	Urdahl
Dittrich	Hancock	Knuth	McFarlane	Persell	Vogel
Doepke	Hansen	Kriesel	McNamara	Petersen, B.	Wagenius
Downey	Hausman	Laine	Melin	Poppe	Ward
Drazkowski	Hilstrom	Lanning	Moran	Rukavina	Wardlow
Eken	Hilty	Leidiger	Morrow	Sanders	Westrom
Erickson	Hoppe	LeMieur	Mullery	Scalze	Winkler
Falk	Hornstein	Lesch	Murdock	Schomacker	Woodard
Franson	Hortman	Liebling	Murphy, E.	Simon	Spk. Zellers
Fritz	Hosch	Lillie	Murphy, M.	Slawik	
Garofalo	Howes	Lohmer	Murray	Slocum	
Gauthier	Huntley	Loon	Myhra	Smith	
Gottwalt	Johnson	Mack	Nelson	Stensrud	
Greene	Kahn	Mahoney	Nornes	Swedzinski	

Those who voted in the negative were:

Anderson, B.	Fabian	Lenczewski	Peppin	Scott
Benson, M.	Gruenhagen	Loeffler	Quam	
Dettmer	Holberg	McElfatrick	Runbeck	

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

The following Conference Committee Report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. NO. 2949

A bill for an act relating to education; modifying certain early childhood and kindergarten through grade 12 policy and finance provisions; requiring reports; appropriating money; amending Minnesota Statutes 2010, sections 120B.13, subdivision 4; 124D.09, subdivisions 9, 10, 12, 24; 135A.101, subdivision 1; 471.975; Minnesota Statutes 2011 Supplement, sections 120B.07; 120B.08; 120B.09; 120B.36, subdivision 1; 124D.09, subdivision 5; 126C.126; 126C.40, subdivision 1; Laws 2011, First Special Session chapter 11, article 5, section 11; article 7, section 2, subdivision 8; repealing Minnesota Statutes 2010, section 124D.09, subdivision 23.

April 20, 2012

The Honorable Kurt Zellers  
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach  
President of the Senate

We, the undersigned conferees for H. F. No. 2949 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2949 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
GENERAL EDUCATION

Section 1. Minnesota Statutes 2010, section 120A.20, subdivision 2, is amended to read:

Subd. 2. **Education and, residence, and transportation of homeless.** (a) Notwithstanding subdivision 1, a district must not deny free admission to a homeless ~~person of school age~~ pupil solely because the district cannot determine that the ~~person~~ pupil is a resident of the district.

(b) The school district of residence for a homeless ~~person of school age~~ pupil shall be the school district in which the ~~homeless shelter or other program, center, or facility assisting the homeless person is located. The educational services a school district provides to a homeless person must allow the person to work toward meeting the graduation standards under section 120B.02.~~ parent or legal guardian resides, unless: (1) parental rights have been terminated by court order; (2) the parent or guardian is not living within the state; or (3) the parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections. If any of clauses (1) to (3) apply, the school district of residence shall be the school district in which the pupil resided when the qualifying event occurred. If no other district of residence can be established, the school district of residence shall be the school district in which the pupil currently resides. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner of education.

(c) The serving district is responsible for transporting a homeless pupil to and from the pupil's district of residence. The district may transport from a permanent home in another district but only through the end of the academic school year. When a pupil is enrolled in a charter school, the district or school that provides transportation for other pupils enrolled in the charter school is responsible for providing transportation. When a homeless student with or without an individualized education program attends a public school other than an independent or special school district or charter school, the district of residence is responsible for transportation.

Sec. 2. Minnesota Statutes 2010, section 120A.22, subdivision 11, is amended to read:

Subd. 11. **Assessment of performance.** (a) Each year the performance of every child ages seven through 16 who is not enrolled in a public school must be assessed using a nationally norm-referenced standardized achievement examination. The superintendent of the district in which the child receives instruction and the person in charge of the child's instruction must agree about the specific examination to be used and the administration and location of the examination.

(b) To the extent the examination in paragraph (a) does not provide assessment in all of the subject areas in subdivision 9, the parent must assess the child's performance in the applicable subject area. This requirement applies only to a parent who provides instruction and does not meet the requirements of subdivision 10, clause (1), (2), or (3).

(c) If the results of the assessments in paragraphs (a) and (b) indicate that the child's performance on the total battery score is at or below the 30th percentile or one grade level below the performance level for children of the same age, the parent must obtain additional evaluation of the child's abilities and performance for the purpose of determining whether the child has learning problems.

(d) A child receiving instruction from a nonpublic school, person, or institution that is accredited by an accrediting agency, recognized according to section 123B.445, or recognized by the commissioner, is exempt from the requirements of this subdivision.



Sec. 3. Minnesota Statutes 2011 Supplement, section 120A.24, subdivision 1, is amended to read:

Subdivision 1. **Reports to superintendent.** (a) The person or nonpublic school in charge of providing instruction to a child must submit to the superintendent of the district in which the child resides the name, birth date, and address of the child; the annual tests intended to be used under section 120A.22, subdivision 11, if required; the name of each instructor; and evidence of compliance with one of the requirements specified in section 120A.22, subdivision 10:

(1) by October 1 of the first school year the child receives instruction after reaching the age of seven;

(2) within 15 days of when a parent withdraws a child from public school after age seven to ~~homeschool~~ provide instruction in a nonpublic school that is not accredited by a state-recognized accrediting agency;

(3) within 15 days of moving out of a district; and

(4) by October 1 after a new resident district is established.

(b) The person or nonpublic school in charge of providing instruction to a child between the ages of seven and 16 must submit, by October 1 of each school year, a letter of intent to continue to provide instruction under this section for all students under the person's or school's supervision and any changes to the information required in paragraph (a) for each student.

(c) The superintendent may collect the required information under this section through an electronic or Web-based format, but must not require electronic submission of information under this section from the person in charge of reporting under this subdivision.

Sec. 4. Minnesota Statutes 2011 Supplement, section 120A.24, subdivision 2, is amended to read:

Subd. 2. **Availability of documentation.** (a) The person or nonpublic school in charge of providing instruction to a child must maintain documentation indicating that the subjects required in section 120A.22, subdivision 9, are being taught and proof that the tests under section 120A.22, subdivision 11, have been administered. This documentation must include class schedules, copies of materials used for instruction, and descriptions of methods used to assess student achievement.

(b) The parent of a child who enrolls full time in public school after having been enrolled in a ~~home school under section 120A.22, subdivision 6~~ nonpublic school that is not accredited by a state-recognized accrediting agency, must provide the enrolling public school or school district with the child's scores on any tests administered to the child under section 120A.22, subdivision 11, and other education-related documents the enrolling school or district requires to determine where the child is placed in school and what course requirements apply. This paragraph does not apply to a shared time student who does not seek a public school diploma.

(c) The person or nonpublic school in charge of providing instruction to a child must make the documentation in this subdivision available to the county attorney when a case is commenced under section 120A.26, subdivision 5; chapter 260C; or when diverted under chapter 260A.

Sec. 5. Minnesota Statutes 2011 Supplement, section 120B.023, subdivision 2, is amended to read:

Subd. 2. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a review cycle for state academic standards and related benchmarks, consistent with this subdivision. During each review cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for college readiness and advanced work in the particular subject area.

(b) The commissioner in the 2006-2007 school year must revise and align the state's academic standards and high school graduation requirements in mathematics to require that students satisfactorily complete the revised mathematics standards, beginning in the 2010-2011 school year. Under the revised standards:

(1) students must satisfactorily complete an algebra I credit by the end of eighth grade; and

(2) students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete an algebra II credit or its equivalent.

The commissioner also must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the 2015-2016 school year.

(c) The commissioner in the 2007-2008 school year must revise and align the state's academic standards and high school graduation requirements in the arts to require that students satisfactorily complete the revised arts standards beginning in the 2010-2011 school year. The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year.

(d) The commissioner in the 2008-2009 school year must revise and align the state's academic standards and high school graduation requirements in science to require that students satisfactorily complete the revised science standards, beginning in the 2011-2012 school year. Under the revised standards, students scheduled to graduate in the 2014-2015 school year or later must satisfactorily complete a chemistry, or physics, credit or a career and technical education credit that meets ~~the~~ standards underlying ~~either~~ the chemistry ~~or~~ physics, or biology credit or a combination of those standards approved by the district. The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year.

(e) The commissioner in the 2009-2010 school year must revise and align the state's academic standards and high school graduation requirements in language arts to require that students satisfactorily complete the revised language arts standards beginning in the 2012-2013 school year. The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year.

(f) The commissioner in the 2010-2011 school year must revise and align the state's academic standards and high school graduation requirements in social studies to require that students satisfactorily complete the revised social studies standards beginning in the 2013-2014 school year. The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

Sec. 6. Minnesota Statutes 2010, section 120B.024, is amended to read:

**120B.024 GRADUATION REQUIREMENTS; COURSE CREDITS.**

(a) Students beginning 9th grade in the ~~2004-2005~~ 2011-2012 school year and later must successfully complete the following high school level course credits for graduation:

(1) four credits of language arts;

(2) three credits of mathematics, encompassing at least algebra, geometry, statistics, and probability sufficient to satisfy the academic standard;

(3) three credits of science, including at least: (i) one credit in biology; and (ii) one chemistry or physics credit or a career and technical education credit that meets standards underlying the chemistry, physics, or biology credit or a combination of those standards approved by the district, but meeting biology standards under this item does not meet the biology requirement under item (i);

(4) three and one-half credits of social studies, encompassing at least United States history, geography, government and citizenship, world history, and economics or three credits of social studies encompassing at least United States history, geography, government and citizenship, and world history, and one-half credit of economics taught in a school's social studies, agriculture education, or business department;

(5) one credit in the arts; and

(6) a minimum of seven elective course credits.

A course credit is equivalent to a student successfully completing an academic year of study or a student mastering the applicable subject matter, as determined by the local school district.

(b) An agriculture science course may fulfill a science credit requirement ~~in addition to~~ other than the specified science ~~credits~~ credit in biology ~~and chemistry or physics~~ under paragraph (a), clause (3).

(c) A career and technical education course may fulfill a ~~science, mathematics, or arts~~ credit requirement ~~in addition to the specified science, mathematics, or arts credits~~ or a science credit requirement other than the specified science credit in biology under paragraph (a), clause (2), (3), or (5).

Sec. 7. Minnesota Statutes 2011 Supplement, section 120B.07, is amended to read:

**120B.07 EARLY GRADUATION.**

~~(a)~~ Notwithstanding any law to the contrary, any secondary school student who has completed all required courses or standards may, with the approval of the student, the student's parent or guardian, and local school officials, graduate before the completion of the school year.

~~(b) General education revenue attributable to the student must be paid as though the student was in attendance for the entire year unless the student participates in the early graduation achievement scholarship program under section 120B.08 or the early graduation military service award program under section 120B.09.~~

**EFFECTIVE DATE.** This section is effective for fiscal year 2012 and later.

Sec. 8. Minnesota Statutes 2011 Supplement, section 120B.08, is amended to read:

**120B.08 EARLY GRADUATION ACHIEVEMENT SCHOLARSHIP PROGRAM.**

Subdivision 1. **Participation.** A student who qualifies for early graduation under section 120B.07, who meets the criteria in subdivision 1a and who has not participated in the early graduation military service award program under section 120B.09, is eligible to participate in the early graduation achievement scholarship program.

Subd. 1a. **Eligible student.** For purposes of this section, an eligible student is a secondary student enrolled in a Minnesota public school who, at the time of graduation, generated Minnesota general education revenue and who graduates prior to the end of the fourth school year after first enrolling in ninth grade.

Subd. 2. **Scholarship amounts.** A student who participates in the early graduation achievement scholarship program is eligible for a scholarship of \$2,500 if the student ~~qualifies for graduation~~ graduates one semester or two trimesters early, \$5,000 if the student ~~qualifies for graduation~~ graduates two semesters or three or four trimesters early, or \$7,500 if the student ~~qualifies for graduation~~ graduates three or more semesters or five or more trimesters early. Participation in the optional summer term, extended day sessions, and intersessions of a state-approved learning year program under section 124D.128 are considered a quarter for purposes of computing scholarship amounts.

Subd. 3. **Scholarship uses.** An early graduation achievement scholarship may be used at any ~~accredited~~ institution of higher education accredited by an accrediting agency recognized by the United States Department of Education.

Subd. 4. **Application.** A qualifying student may apply to the commissioner of education for an early graduation achievement scholarship. The application must be in the form and manner specified by the commissioner and must be received at the department within two calendar years of the date of graduation. Upon verification of the qualifying student's course completion necessary for graduation, the department must issue the student a certificate showing the student's scholarship amount.

Subd. 5. **Enrollment verification.** A student who qualifies under this section and enrolls in an accredited higher education institution must submit a form to the commissioner verifying the student's enrollment in the higher education institution and the tuition charges for that semester. Within ~~15~~ 45 days of receipt of a student's enrollment and tuition verification form, the commissioner must issue a scholarship check to the ~~student~~ higher education institution in the lesser of the tuition amount for that semester or the maximum amount of the student's early graduation achievement scholarship. A student may continue to submit enrollment verification forms to the commissioner until the student has used the full amount of the student's graduation achievement scholarship or six years from the date of the student's graduation, whichever occurs first. The scholarship cannot be renewed.

Subd. 6. **General education money transferred.** The commissioner must transfer the amounts necessary to fund the early graduation achievement scholarships from the general education aid appropriation for that year.

**EFFECTIVE DATE.** This section is effective for fiscal year 2012 and later.

Sec. 9. Minnesota Statutes 2011 Supplement, section 120B.09, is amended to read:

**120B.09 EARLY GRADUATION MILITARY SERVICE AWARD PROGRAM.**

Subdivision 1. **Eligibility.** For purposes of this section, "eligible person" means a secondary student enrolled in any Minnesota public school who, at the time of graduation, generated Minnesota general education revenue, who qualifies for early graduation under section 120B.07, who graduated prior to the end of the fourth school year after first enrolling in ninth grade, who has not participated in the early graduation achievement scholarship program under section 120B.08, and who, before the end of the calendar year of the student's graduation, enters into active service in either the active or reserve component of the United States armed forces and deploys for 60 days or longer to a military base or installation outside Minnesota for the purpose of attending basic military training or military school and, if required by the military, performing other military duty. The active service may be in accordance with United States Code, title 10 or title 32.

Subd. 2. **Application.** An eligible person may apply to the commissioner of education for an early graduation military service bonus. The application must be in the form and manner specified by the commissioner and must be received at the department within two calendar years of the date of graduation.

Subd. 3. **Verification and award.** The request for payment must be received at the department by the end of the second fiscal year following the fiscal year in which the student graduated. Upon verification of the qualifying student's course completion necessary for graduation and eligibility for the military service bonus, the commissioner must issue payment to that person. Payment amounts must be determined according to section 120B.08, subdivision 2. Once the original amount of the award has been paid, it cannot be renewed.

**EFFECTIVE DATE.** This section is effective for fiscal year 2012 and later.

Sec. 10. Minnesota Statutes 2010, section 120B.13, subdivision 4, is amended to read:

Subd. 4. **Rigorous course taking information; AP, IB, and PSEO.** The commissioner shall submit the following information on rigorous course taking to the education committees of the legislature each year by February 1:

(1) the number of pupils enrolled in postsecondary enrollment options under section 124D.09, including concurrent enrollment, advanced placement, and international baccalaureate courses in each school district;

(2) the number of teachers in each district attending training programs offered by the college board ~~or~~, International Baccalaureate North America, Inc., or Minnesota concurrent enrollment programs;

(3) the number of teachers in each district participating in support programs;

(4) recent trends in the field of postsecondary enrollment options under section 124D.09, including concurrent enrollment, advanced placement, and international baccalaureate programs;

(5) expenditures for each category in this section and under sections 124D.09 and 124D.091; and

(6) other recommendations for the state program or the postsecondary enrollment options under section 124D.09, including concurrent enrollment.

**EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and later.

Sec. 11. Minnesota Statutes 2010, section 122A.415, subdivision 3, is amended to read:

Subd. 3. **Revenue timing.** (a) Districts, intermediate school districts, school sites, or charter schools with approved applications must receive alternative compensation revenue for each school year that the district, intermediate school district, school site, or charter school implements an alternative teacher professional pay system under this subdivision and section 122A.414. For fiscal year 2007 and later, a qualifying district, intermediate school district, school site, or charter school that received alternative teacher compensation aid for the previous fiscal year must receive at least an amount of alternative teacher compensation revenue equal to the lesser of the amount it received for the previous fiscal year or the amount it qualifies for under subdivision 1 for the current fiscal year if the district, intermediate school district, school site, or charter school submits a timely application and the commissioner determines that the district, intermediate school district, school site, or charter school continues to implement an alternative teacher professional pay system, consistent with its application under this section.

(b) The commissioner shall approve applications that comply with subdivision 1, and section 122A.414, subdivisions 2, paragraph (b) , and 2a, if the applicant is a charter school, in the order in which they are received, select applicants that qualify for this program, notify school districts, intermediate school districts, school sites, and charter schools about the program, develop and disseminate application materials, and carry out other activities needed to implement this section.

(c) ~~For applications approved under this section before August 1 of the fiscal year for which the aid is paid, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed \$522,000 for fiscal year 2006 and \$3,374,000 for fiscal year 2007. For fiscal year 2008 and later, the portion of the state total basic alternative teacher compensation aid entitlement allocated to charter schools must not exceed the product of \$3,374,000 times the ratio of the state total charter school enrollment for the previous fiscal year to the state total charter school enrollment for the second previous fiscal year 2007. Additional basic alternative teacher compensation aid may be approved for charter schools after August 1, not to exceed the charter school limit for the following fiscal year, if the basic alternative teacher compensation aid entitlement for school districts based on applications approved by August 1 does not expend the remaining amount under the limit.~~

Sec. 12. Minnesota Statutes 2010, section 123B.92, subdivision 3, is amended to read:

Subd. 3. **Alternative attendance programs.** (a) A district that enrolls nonresident pupils in programs under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68, must provide authorized transportation to the pupil within the attendance area for the school that the pupil attends at the same level of service that is provided to resident pupils within the attendance area. The resident district need not provide or pay for transportation between the pupil's residence and the district's border.

(b) A district may provide transportation to allow a student who attends a high-need English language learner program and who resides within the transportation attendance area of the program to continue in the program until the student completes the highest grade level offered by the program.

(c) A homeless nonresident pupil enrolled under section 124D.08, subdivision 2a, must be provided transportation from the pupil's district of residence to and from the school of enrollment.

Sec. 13. Minnesota Statutes 2010, section 124D.08, is amended by adding a subdivision to read:

Subd. 2a. **Continued enrollment for homeless students.** Notwithstanding subdivision 2, a pupil who has been enrolled in a district, who is identified as homeless, and whose parent or legal guardian moves to another district, may continue to enroll in the nonresident district without the approval of the board of the nonresident district. The approval of the board of the pupil's resident district is not required.

Sec. 14. Minnesota Statutes 2010, section 124D.09, is amended by adding a subdivision to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A secondary pupil may enroll in their first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision, may apply to an eligible institution offering a career or technical education course. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent, rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, diploma, or an associate degree.

Sec. 15. Minnesota Statutes 2011 Supplement, section 124D.09, subdivision 7, is amended to read:

Subd. 7. **Dissemination of information; notification of intent to enroll.** By March 1 of each year, a district must provide general information about the program to all pupils in grades 8, 9, 10, and 11. To assist the district in planning, a pupil shall inform the district by ~~March~~ May 30 of each year of the pupil's intent to enroll in postsecondary courses during the following school year. A pupil is ~~not~~ bound by notifying or not notifying the district by ~~March~~ May 30.

Sec. 16. Minnesota Statutes 2010, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent, ~~but it may not advertise or otherwise recruit or solicit the participation of secondary pupils to enroll in its programs on financial grounds and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on educational and programmatic grounds only.~~ An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level. Once a pupil has been enrolled in a postsecondary course under this section, the pupil shall not be displaced by another student.

Sec. 17. Minnesota Statutes 2010, section 124D.09, subdivision 12, is amended to read:

Subd. 12. **Credits.** ~~A pupil may enroll in a course under this section for either secondary credit or postsecondary credit. At the time a pupil enrolls in a course, the pupil shall designate whether the course is for secondary or postsecondary credit. A pupil taking several courses may designate some for secondary credit and some for postsecondary credit. A pupil must not audit a course under this section.~~

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for postsecondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for postsecondary credit. In either case, the record must indicate that the credits were earned at a postsecondary institution.

If a pupil enrolls in a postsecondary institution after leaving secondary school, the postsecondary institution must award postsecondary credit for any course successfully completed for secondary credit at that institution. Other postsecondary institutions may award, after a pupil leaves secondary school, postsecondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must, and private nonprofit and proprietary postsecondary institutions should, award postsecondary credit for any successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships offered according to an agreement under subdivision 10.

Sec. 18. Minnesota Statutes 2010, section 124D.09, subdivision 22, is amended to read:

Subd. 22. **Transportation.** (a) A parent or guardian of a pupil enrolled in a course for secondary credit may apply to the pupil's district of residence for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution that the pupil attends. The state shall provide state aid to a district in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the family's or guardian's income is at or below the poverty level, as determined by the federal government. The reimbursement shall be the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week. However, if the nearest postsecondary institution is more than 25 miles from the pupil's resident secondary school, the weekly reimbursement may not exceed the reimbursement rate per mile times the actual distance between the secondary school or the pupil's home and the nearest postsecondary institution times ten. The state must pay aid to the district according to this subdivision.

(b) A parent or guardian of an alternative pupil enrolled in a course for secondary credit may apply to the pupil's postsecondary institution for reimbursement for transporting the pupil between the secondary school in which the pupil is enrolled or the pupil's home and the postsecondary institution in an amount sufficient to reimburse the parent or guardian for the necessary transportation costs when the family's or guardian's income is at or below the poverty level, as determined by the federal government. The amount of the reimbursement shall be determined as in paragraph (a). The state must pay aid to the postsecondary institution according to this subdivision.

Sec. 19. Minnesota Statutes 2010, section 124D.09, subdivision 24, is amended to read:

Subd. 24. **Limit; state obligation.** The provisions of subdivisions 13, 19, and 22, and 23 shall not apply for any postsecondary courses in which a pupil is enrolled in addition to being enrolled full time in that pupil's district or for any postsecondary course in which a pupil is enrolled for postsecondary credit. The pupil is enrolled full time if the pupil attends credit-bearing classes in the high school or high school program for all of the available hours of instruction.

**EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and later.

Sec. 20. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 8, is amended to read:

Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A school authorized by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(d) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. An authorizer may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution. A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

(e) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled. This paragraph does not apply to shared time aid, under section 126C.19.



(f) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people younger than five years and older than 18 years of age.

(g) A charter school may not charge tuition.

(h) A charter school is subject to and must comply with chapter 363A and section 121A.04.

(i) A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, and the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(j) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

(k) A charter school is a district for the purposes of tort liability under chapter 466.

(l) A charter school must comply with chapters 13 and 13D; and sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

(m) A charter school is subject to the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(n) A charter school offering online courses or programs must comply with section 124D.095.

(o) A charter school and charter school board of directors are subject to chapter 181.

(p) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

(q) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19.

(r) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38.

Sec. 21. Minnesota Statutes 2011 Supplement, section 124D.4531, subdivision 1, is amended to read:

Subdivision 1. **Career and technical levy.** (a) A district with a career and technical program approved under this section for the fiscal year in which the levy is certified may levy an amount equal to ~~the greater of:~~

~~(1) \$80 times the district's average daily membership in grades 9 through 12 for the fiscal year in which the levy is certified; or~~

~~(2) 35 percent of approved expenditures in the fiscal year in which the levy is certified for the following:~~

(i) (1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year, including extended contracts, for services rendered in the district's approved career and technical education programs;

(ii) (2) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 7;

(iii) (3) necessary travel between instructional sites by licensed career and technical education personnel;

(iv) (4) necessary travel by licensed career and technical education personnel for vocational student organization activities held within the state for instructional purposes;

(v) (5) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

(vi) (6) necessary travel by licensed career and technical education personnel for noncollegiate credit-bearing professional development; and

(vii) (7) specialized vocational instructional supplies.

(b) Up to ten percent of a district's career and technical levy may be spent on equipment purchases. Districts using the career and technical levy for equipment purchases must report to the department on the improved learning opportunities for students that result from the investment in equipment.

(c) The district must recognize the full amount of this levy as revenue for the fiscal year in which it is certified.

(d) The amount of the levy certified under this subdivision may not exceed \$17,850,000 for taxes payable in 2012, \$15,520,000 for taxes payable in 2013, and ~~\$15,545,000~~ \$15,393,000 for taxes payable in 2014.

(e) If the estimated levy exceeds the amount in paragraph (d), the commissioner must reduce the percentage in paragraph (a), clause (2), until the estimated levy no longer exceeds the limit in paragraph (d).

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

Sec. 22. Minnesota Statutes 2010, section 124D.4531, subdivision 3, is amended to read:

Subd. 3. **Levy guarantee.** Notwithstanding subdivision 1, paragraph (a), the career and technical education levy for a district is not less than the lesser of:

(1) the district's career and technical education levy authority for the previous fiscal year; or

(2) 100 percent of the approved expenditures for career and technical programs included in subdivision 1, paragraph (b), for the fiscal year in which the levy is certified.

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

Sec. 23. Minnesota Statutes 2010, section 124D.4531, is amended by adding a subdivision to read:

Subd. 3a. **Levy, pay 2012-2014.** Notwithstanding subdivisions 1 and 3, for taxes payable in 2012 to 2014 only, the department must calculate the career and technical levy authority for each district according to Minnesota Statutes 2010, section 124D.4531, and adjust the levy authority for each district proportionately to meet the

statewide levy target under subdivision 1, paragraph (d). For purposes of calculating the levy guarantee under subdivision 3, the career and technical education levy authority for the previous fiscal year is the levy authority according to Minnesota Statutes 2010, section 124D.4531, before adjustments to meet the statewide levy target.

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

Sec. 24. Minnesota Statutes 2010, section 126C.10, subdivision 28, is amended to read:

Subd. 28. **Equity region.** For the purposes of computing equity revenue under subdivision 24, a district ~~whose with its administrative offices on July 1, 1999, is office~~ located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County on January 1, 2012, is part of the metro equity region. ~~Districts whose administrative offices on July 1, 1999, are not located in Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington County~~ All other districts are part of the rural equity region.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal years 2013 and later.

Sec. 25. Minnesota Statutes 2011 Supplement, section 126C.126, is amended to read:

**126C.126 REALLOCATING GENERAL EDUCATION REVENUE FOR ALL-DAY KINDERGARTEN AND PREKINDERGARTEN.**

~~(a) In order to provide additional revenue for an optional all-day kindergarten program, a district may reallocate general education revenue attributable to 12th grade students who have graduated early under section 120B.07 and who do not participate in the early graduation achievement scholarship program under section 120B.08 or the early graduation military service award program under section 120B.09.~~

~~(b)~~ A school district may spend general education revenue on extended time kindergarten and prekindergarten programs.

Sec. 26. Minnesota Statutes 2010, section 126C.19, subdivision 2, is amended to read:

Subd. 2. **Exception.** Notwithstanding subdivision 1, the resident district of a shared time pupil attending shared time classes in another district ~~may or a charter school must~~ grant the district ~~or charter school~~ of attendance, upon its request, permission to claim the pupil as a resident for state aid purposes. In this case, state aid must be paid to the district ~~or charter school~~ of attendance ~~and, upon agreement.~~ If the resident district agrees, the district of attendance may bill the resident district for any unreimbursed education costs, but not for unreimbursed transportation costs. ~~The agreement may, however, provide~~ resident district and the district or charter school of attendance may negotiate an agreement for the resident district to pay the cost of any of the particular transportation categories specified in section 123B.92, subdivision 1, and in this case, aid for those categories must be paid to the district of residence rather than to the district of attendance.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2014 and later.

Sec. 27. Minnesota Statutes 2011 Supplement, section 127A.45, subdivision 6a, is amended to read:

Subd. 6a. **Cash flow adjustment.** The board of directors of any charter school serving fewer than ~~450~~ 200 students where the percent of students eligible for special education services equals at least 90 percent of the charter school's total enrollment may request that the commissioner of education accelerate the school's cash flow under this section. The commissioner must approve a properly submitted request within 30 days of its receipt. The commissioner must accelerate the school's regular special education aid payments according to the schedule in the school's request and modify the payments to the school under subdivision 3 accordingly. A school must not receive

current payments of regular special education aid exceeding 90 percent of its estimated aid entitlement for the fiscal year. The commissioner must delay the special education aid payments to all other school districts and charter schools in proportion to each district or charter school's total share of regular special education aid such that the overall aid payment savings from the aid payment shift remains unchanged for any fiscal year.

Sec. 28. Minnesota Statutes 2010, section 127A.47, subdivision 1, is amended to read:

Subdivision 1. **Aid to serving district.** (a) Unless otherwise specifically provided by law, general education aid must be paid according to this subdivision.

(b) Except as provided in paragraph (c), general education aid must be paid to the serving district.

(c) If the resident district pays tuition for a pupil under section 123A.18, 123A.22, 123A.30, 123A.32, 123A.44, 123A.488, 123B.88, subdivision 4, 124D.04, 124D.05, 125A.03 to 125A.24, 125A.51, or 125A.65, general education aid, excluding basic skills revenue under section 126C.10, subdivision 4, must be paid to the resident district. For a student enrolled under section 124D.08, subdivision 2a, that is enrolled in other than an independent or special school district or charter school, the general education revenue shall be paid to the resident district.

Sec. 29. Minnesota Statutes 2010, section 135A.101, subdivision 1, is amended to read:

Subdivision 1. **Requirements for participation.** To participate in the postsecondary enrollment options program, a college or university must abide by the provisions in this section. The institution may provide information about its programs to a secondary school or to a pupil or parent, ~~but may not recruit or solicit participation on financial grounds~~ and may recruit or solicit participation on educational and programmatic grounds.

Sec. 30. Minnesota Statutes 2010, section 471.975, is amended to read:

#### **471.975 MAY PAY DIFFERENTIAL OF RESERVE ON ACTIVE DUTY.**

(a) Except as provided in paragraph (b), a statutory or home rule charter city, county, town, or other political subdivision may pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's base active duty military salary and the salary the member would be paid as an active political subdivision employee, including any adjustments the member would have received if not on leave of absence. This payment may be made only to a person whose base active duty military salary is less than the salary the person would be paid as an active political subdivision employee. Back pay authorized by this section may be paid in a lump sum. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(b) ~~Subject to the limits under paragraph (g),~~ Each school district shall pay to each eligible member of the National Guard or other reserve component of the armed forces of the United States an amount equal to the difference between the member's base active duty military salary and the salary the member would be paid as an active school district employee, including any adjustments the member would have received if not on leave of absence. The pay differential must be based on a comparison between the member's daily base rate of active duty pay, calculated by dividing the member's base military monthly salary by the number of paid days in the month, and the member's daily rate of pay for the member's school district salary, calculated by dividing the member's total school district salary by the number of contract days. The member's salary as a school district employee must include the member's basic salary and any additional salary the member earns from the school district for cocurricular and extracurricular activities. The differential payment under this paragraph must be the difference between the daily base rates of military pay times the number of school district contract days the member misses because of military active duty. This payment may be made only to a person whose daily base rate of active duty

pay is less than the person's daily rate of pay as an active school district employee. Payments may be made at the intervals at which the member received pay as a school district employee. Payment under this section must not extend beyond four years from the date the employee reported for active service, plus any additional time the employee may be legally required to serve.

(c) An eligible member of the reserve components of the armed forces of the United States is a reservist or National Guard member who was an employee of a political subdivision at the time the member reported for active service on or after May 29, 2003, or who is on active service on May 29, 2003.

(d) Except as provided in paragraph (e) and elsewhere in Minnesota Statutes, a statutory or home rule charter city, county, town, or other political subdivision has total discretion regarding employee benefit continuation for a member who reports for active service and the terms and conditions of any benefit.

(e) A school district must continue the employee's enrollment in health and dental coverage, and the employer contribution toward that coverage, until the employee is covered by health and dental coverage provided by the armed forces. If the employee had elected dependent coverage for health or dental coverage as of the time that the employee reported for active service, a school district must offer the employee the option to continue the dependent coverage at the employee's own expense. A school district must permit the employee to continue participating in any pretax account in which the employee participated when the employee reported for active service, to the extent of employee pay available for that purpose.

(f) For purposes of this section, "active service" has the meaning given in section 190.05, subdivision 5, but excludes service performed exclusively for purposes of:

- (1) basic combat training, advanced individual training, annual training, and periodic inactive duty training;
- (2) special training periodically made available to reserve members; and
- (3) service performed in accordance with section 190.08, subdivision 3.

~~(g) A school district making payments under paragraph (b) shall place a sum equal to any difference between the amount of salary that would have been paid to the employee who is receiving the payments and the amount of salary being paid to substitutes for that employee into a special fund that must be used to pay or partially pay the deployed employee's payments under paragraph (b). A school district is required to pay only this amount to the deployed school district employee. When an employee of a school district who as a member of the National Guard or any other reserve unit of the United States armed forces, reports for active service as defined in section 190.05, subdivision 5, the district must place into a special service members' aggregate salary savings account the amount of salary the district would have paid to the employee during the employee's leave for military service. The district must use the combined proceeds in the account only to fully pay the salary differentials of all eligible deployed employees in the district, as determined under paragraph (b). Funds remaining in the account at the end of the fiscal year after all obligations to employees under this statute have been satisfied may be used to pay for substitutes for the deployed employees, and then for any other purpose.~~

**EFFECTIVE DATE.** This section is effective July 1, 2012, for school district employees serving in active military duty on or after that date.

Sec. 31. Laws 2011, First Special Session chapter 11, article 5, section 11, is amended to read:

Sec. 11. **FUND TRANSFER; FISCAL YEARS 2012 AND 2013 THROUGH 2015 ONLY.** (a) Notwithstanding Minnesota Statutes, section 123B.80, subdivision 3, for fiscal years 2012 ~~and 2013~~ through 2015 only, the commissioner must approve a request for a fund transfer if the transfer does not increase state aid obligations to the district or result in additional property tax authority for the district. This section does not permit transfers from the community service fund or the food service fund.

(b) A school board may approve a fund transfer under paragraph (a) only after adopting a resolution stating the fund transfer will not diminish instructional opportunities for students.

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

Sec. 32. **APPROPRIATION.**

Subdivision 1. Department of Education. The sums shown are added to or, if shown in parentheses, subtracted from, the appropriations in Laws 2011, First Special Session chapter 11, or any appropriation that replaces those appropriations, to the Department of Education for the purposes specified. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose.

Subd. 2. General education aid. For general education aid under Minnesota Statutes, section 126C.13, subdivision 4:

\$(311,000)	.....	<u>2012</u>
\$(678,000)	.....	<u>2013</u>

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

Sec. 33. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes and Rules, the revisor of statutes shall substitute the terms "English learner," "EL," or similar term for "limited English proficient," "English language learner," "LEP," "ELL," or similar term when referring to early childhood through grade 12 education. The revisor shall also make grammatical changes related to the changes in term.

Sec. 34. **REPEALER.**

(a) Minnesota Statutes 2010, section 124D.09, subdivision 23, is repealed effective for the 2012-2013 school year and later.

(b) Minnesota Statutes 2010, section 127A.47, subdivision 2, is repealed.

ARTICLE 2  
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2010, section 120A.22, subdivision 2, is amended to read:

Subd. 2. **Applicability.** This section and sections 120A.24; 120A.26; ~~120A.28~~; 120A.30; 120A.32; and 120A.34 apply only to a child required to receive instruction according to subdivision 5 and to instruction that is intended to fulfill that requirement.

Sec. 2. Minnesota Statutes 2011 Supplement, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** For the 2011-2012 school year and later, each school district shall identify before the end of kindergarten, grade 1, and grade 2 students who are not reading at grade level before the end of the current school year. Reading assessments must identify and evaluate students' areas of academic need related to literacy. The district must use a locally adopted assessment and annually report summary assessment results to the commissioner by ~~June~~ July 1.

Sec. 3. Minnesota Statutes 2010, section 120B.13, subdivision 1, is amended to read:

Subdivision 1. **Program structure; training programs for teachers.** ~~(a) The advanced placement and international baccalaureate programs are well established academic programs for mature, academically directed high school students. These programs, in addition to providing academic rigor, offer sound curricular design, accountability, comprehensive external assessment, feedback to students and teachers, and the opportunity for high school students to compete academically on a global level. Advanced placement and international baccalaureate programs allow students to leave high school with the academic skills and self-confidence to succeed in college and beyond. The advanced placement and international baccalaureate programs help provide Minnesota students with world class educational opportunity.~~

~~(b)~~ Critical to schools' educational success is ongoing advanced placement/international baccalaureate-approved teacher training. A secondary teacher assigned by a district to teach an advanced placement or international baccalaureate course or other interested educator may participate in a training program offered by The College Board or International Baccalaureate North America, Inc. The state may pay a portion of the tuition, room, board, and out-of-state travel costs a teacher or other interested educator incurs in participating in a training program. The commissioner shall determine application procedures and deadlines, select teachers and other interested educators to participate in the training program, and determine the payment process and amount of the subsidy. The procedures determined by the commissioner shall, to the extent possible, ensure that advanced placement and international baccalaureate courses become available in all parts of the state and that a variety of course offerings are available in school districts. This subdivision does not prevent teacher or other interested educator participation in training programs offered by The College Board or International Baccalaureate North America, Inc., when tuition is paid by a source other than the state.

Sec. 4. Minnesota Statutes 2011 Supplement, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, shall include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed from and aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and be administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must include multiple choice questions. The commissioner shall establish one or more months during which schools shall administer the tests to students each school year. For students enrolled in grade 8 before the 2005-2006 school year, Minnesota basic skills tests in reading, mathematics, and writing shall fulfill students' basic skills testing requirements for a passing state notation. The passing scores of basic skills tests in reading and mathematics are the equivalent of 75 percent correct for students entering grade 9 based on the first uniform test administered in February 1998. Students who have not successfully passed a Minnesota basic skills test by the end of the 2011-2012 school year must pass the graduation-required assessments for diploma under paragraph (c), except that for the 2012-2013 and 2013-2014 school years only, these students may satisfy the state's graduation test requirement for math by complying with paragraph (d), clauses (1) and (3).

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

- (1) mathematics;
- (i) grades 3 through 8 beginning in the 2010-2011 school year; and
- (ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) For students enrolled in grade 8 in the 2005-2006 school year and later, only the following options shall fulfill students' state graduation test requirements:

(1) for reading and mathematics:

(i) obtaining an achievement level equivalent to or greater than proficient as determined through a standard setting process on the Minnesota comprehensive assessments in grade 10 for reading and grade 11 for mathematics or achieving a passing score as determined through a standard setting process on the graduation-required assessment for diploma in grade 10 for reading and grade 11 for mathematics or subsequent retests;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in reading and the mathematics test for English language learners or the graduation-required assessment for diploma equivalent of those assessments for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individualized education program or 504 plan;

(iv) obtaining achievement level equivalent to or greater than proficient as determined through a standard setting process on the state-identified alternate assessment or assessments in grade 10 for reading and grade 11 for mathematics for students with an individualized education program; or

(v) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individualized education program; and

(2) for writing:

(i) achieving a passing score on the graduation-required assessment for diploma;

(ii) achieving a passing score as determined through a standard setting process on the state-identified language proficiency test in writing for students designated as English language learners;

(iii) achieving an individual passing score on the graduation-required assessment for diploma as determined by appropriate state guidelines for students with an individualized education program or 504 plan; or

(iv) achieving an individual passing score on the state-identified alternate assessment or assessments as determined by appropriate state guidelines for students with an individualized education program.

(d) Students enrolled in grade 8 in any school year from the 2005-2006 school year to the 2009-2010 school year who do not pass the mathematics graduation-required assessment for diploma under paragraph (c) are eligible to receive a high school diploma if they:

(1) complete with a passing score or grade all state and local coursework and credits required for graduation by the school board granting the students their diploma;

(2) participate in district-prescribed academic remediation in mathematics; and



(3) fully participate in at least two retests of the mathematics GRAD test or until they pass the mathematics GRAD test, whichever comes first. A school, district, or charter school must place on the high school transcript a student's current pass status for each subject that has a required graduation assessment.

In addition, the school board granting the students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

(e) The 3rd through 8th grade and high school test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must disseminate to the public the high school test results upon receiving those results.

(f) The 3rd through 8th grade and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

(g) In addition to the testing and reporting requirements under this section, the commissioner shall include the following components in the statewide public reporting system:

(1) uniform statewide testing of all students in grades 3 through 8 and at the high school level that provides appropriate, technically sound accommodations or alternate assessments;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

Sec. 5. Minnesota Statutes 2011 Supplement, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed as the school board shall see fit. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before ~~June~~ **July 1**. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher must complete at least 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

**EFFECTIVE DATE.** This section is effective for the 2012-2013 school year and later.

Sec. 6. Minnesota Statutes 2010, section 122A.40, subdivision 13, is amended to read:

Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph (b), a board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

- (1) immoral conduct, insubordination, or conviction of a felony;
- (2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (3) failure without justifiable cause to teach without first securing the written release of the school board;
- (4) gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (5) willful neglect of duty; or
- (6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may, ~~however,~~ suspend a teacher with pay pending the conclusion of ~~such~~ the hearing and determination of the issues raised in the hearing after charges have been filed which constitute ground for discharge. If a teacher has been charged with a felony and the underlying conduct that is the subject of the felony charge is a ground for a proposed immediate discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this paragraph is held, the board must reimburse the teacher for any salary or compensation withheld if the final decision of the board or the arbitrator does not result in a penalty to or suspension, termination, or discharge of the teacher.

(b) A board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

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

Sec. 7. Minnesota Statutes 2010, section 123B.04, is amended to read:

**123B.04 SITE DECISION-MAKING; INDIVIDUALIZED LEARNING AGREEMENT; OTHER AGREEMENTS.**

Subdivision 1. **Definition.** "Education site" means a separate facility. A program within a facility or within a district is an education site if the school board recognizes it as a site.

Subd. 1a. **Individualized learning and instruction; improved student achievement.** To promote individualized learning and instruction and improve student achievement under subdivisions 4 and 4a, a participating school board under this section may consider how to:

(1) assist a school site to adapt instruction to the needs and aptitudes of individual students, and establish goals and standards for individual students in addition to the state academic standards applicable to all students;

(2) coordinate the pace of instruction and learning with the needs and aptitudes of individual students at a school site;

(3) provide useful data and assist with research in developing and improving innovative, cost-effective, research-based individualized learning, instruction, and assessment under this section and section 124D.10;

(4) demonstrate and help evaluate instructional alternatives to age-based grade progression;

(5) more effectively motivate students and teachers; and

(6) expand use of learning technology to support individualized learning, instruction, assessment, and achievement.

Subd. 2. **Agreement.** (a) The school board and a school site may enter into an agreement under this section solely to develop and implement an individualized learning and achievement contract under subdivision 4.

~~(a)~~ (b) Upon the request of 60 percent of the licensed employees of a site or a school site decision-making team, the school board shall enter into discussions to reach an agreement concerning the governance, management, or control of the school. A school site decision-making team may include the school principal, teachers in the school or their designee, other employees in the school, representatives of pupils in the school, or other members in the community. A school site decision-making team must include at least one parent of a pupil in the school. For purposes of formation of a new site, a school site decision-making team may be a team of teachers that is recognized by the board as a site. The school site decision-making team shall include the school principal or other person having general control and supervision of the school. The site decision-making team must reflect the diversity of the education site. At least one-half of the members shall be employees of the district, unless an employee is the parent of a student enrolled in the school site, in which case the employee may elect to serve as a parent member of the site team.

~~(b)~~ (c) School site decision-making agreements must delegate powers, duties, and broad management responsibilities to site teams and involve staff members, students as appropriate, and parents in decision making.

~~(c)~~ (d) An agreement shall include a statement of powers, duties, responsibilities, and authority to be delegated to and within the site.

~~(d)~~ (e) An agreement may include:

(1) an achievement contract according to subdivision 4;

(2) a mechanism to allow principals, a site leadership team, or other persons having general control and supervision of the school, to make decisions regarding how financial and personnel resources are best allocated at the site and from whom goods or services are purchased;

(3) a mechanism to implement parental involvement programs under section 124D.895 and to provide for effective parental communication and feedback on this involvement at the site level;

(4) a provision that would allow the team to determine who is hired into licensed and nonlicensed positions;

(5) a provision that would allow teachers to choose the principal or other person having general control;

(6) an amount of revenue allocated to the site under subdivision 3; and

(7) any other powers and duties determined appropriate by the board.

The school board of the district remains the legal employer under clauses (4) and (5).

~~(e)~~ (f) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

~~(f)~~ (g) Approved agreements shall be filed with the commissioner. If a school board denies a request or the school site and school board fail to reach an agreement to enter into a school site management agreement, the school board shall provide a copy of the request and the reasons for its denial to the commissioner.

~~(g)~~ (h) A site decision-making grant program is established, consistent with this subdivision, to allow sites to implement an agreement that at least:

(1) notwithstanding subdivision 3, allocates to the site all revenue that is attributable to the students at that site;

(2) includes a provision, consistent with current law and the collective bargaining agreement in effect, that allows the site team to decide who is selected from within the district for licensed and nonlicensed positions at the site and to make staff assignments in the site; and

(3) includes a completed performance agreement under subdivision 4.

The commissioner shall establish the form and manner of the application for a grant and annually, at the end of each fiscal year, report to the house of representatives and senate committees having jurisdiction over education on the progress of the program.

Subd. 3. **Revenue and cost allocation.** Revenue for a fiscal year received or receivable by the district shall be allocated to education sites based on the agreement between the school board and the site decision-making team. Revenue shall remain allocated to each site until used by the site. The site teams and the board may enter an agreement that permits the district to provide services and retain the revenue required to pay for the services provided. The district remains responsible for legally entering into contracts and expending funds. For the purposes of this subdivision, "allocation" means that the determination of the use of the revenue shall be under the control of the site. The district may charge the accounts of each site the actual costs of goods and services from the general or capital funds attributable to the site.

Subd. 4. **Achievement contract.** A school board may enter a written education site achievement contract with each site decision-making team for ~~the purpose of:~~ (1) setting individualized learning performance expectations and achievement measures and short- and long-term educational goals for each student at that site, including the goals

for improvement in each area of: (2) recognizing each student's educational needs and aptitudes and levels of academic attainment, whether on grade level or above or below grade level, so as to improve student performance through such means as a cost-effective, research-based formative assessment system designed to promote individualized learning and assessment; (3) using student performance data to diagnose a student's academic strengths and weaknesses and indicate to the student's teachers the specific skills and concepts that need to be introduced to the student and developed through academic instruction or applied learning, organized by strands within subject areas and linked to state and local academic standards during the next year, a plan to assist consistent with the student's short- and long-term educational goals; and (4) assisting the education site if their progress in achieving student or contract goals are not achieved, and or other performance expectations and or measures determined agreed to by the board and the site decision-making team are not realized or implemented.

Subd. 4a. **Additional site agreements premised on successful achievement contracts.** A school board that enters into a written education achievement contract with a school site under subdivision 4 where the student performance data at the site demonstrate at least three consecutive school years of improved student achievement consistent with the terms of the achievement contract may seek to establish a similar achievement contract with other school sites in the district.

Subd. 5. **Commissioner's role.** The commissioner of education, in consultation with appropriate educational organizations, shall:

- (1) upon request, provide technical support for districts and sites with agreements under this section;
- (2) conduct and compile research on the effectiveness of site decision making; and
- (3) periodically report on and evaluate the effectiveness of site management agreements on a statewide basis.

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

Sec. 8. Minnesota Statutes 2011 Supplement, section 123B.147, subdivision 3, is amended to read:

Subd. 3. **Duties; evaluation.** (a) The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and according to the policies, rules, and regulations of the school board, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.

(b) To enhance a principal's leadership skills and support and improve teaching practices, school performance, and student achievement, a district must develop and implement a performance-based system for annually evaluating school principals assigned to supervise a school building within the district. The evaluation must be designed to improve teaching and learning by supporting the principal in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. The annual evaluation must:

(1) support and improve a principal's instructional leadership, organizational management, and professional development, and strengthen the principal's capacity in the areas of instruction, supervision, evaluation, and teacher development;

(2) include formative and summative evaluations;

(3) be consistent with a principal's job description, a district's long-term plans and goals, and the principal's own professional multiyear growth plans and goals, all of which must support the principal's leadership behaviors and practices, rigorous curriculum, school performance, and high-quality instruction;

- (4) include on-the-job observations and previous evaluations;
- (5) allow surveys to help identify a principal's effectiveness, leadership skills and processes, and strengths and weaknesses in exercising leadership in pursuit of school success;
- (6) use longitudinal data on student academic growth as ~~an~~ 35 percent of the evaluation ~~component~~ and incorporate district achievement goals and targets;
- (7) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture; and
- (8) for principals not meeting standards of professional practice or other criteria under this subdivision, implement a plan to improve the principal's performance and specify the procedure and consequence if the principal's performance is not improved.

The provisions of this paragraph are intended to provide districts with sufficient flexibility to accommodate district needs and goals related to developing, supporting, and evaluating principals.

**EFFECTIVE DATE.** This section is effective for the 2013-2014 school year and later.

Sec. 9. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph (c) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

(b) The following organizations may authorize one or more charter schools:

(1) a school board; intermediate school district school board; education district organized under sections 123A.15 to 123A.19;

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution, any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution, and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

- (i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;
- (ii) is registered with the attorney general's office; and

(iii) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota;

(4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years; or

(5) single-purpose authorizers that are charitable, nonsectarian organizations formed under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota whose sole purpose is to charter schools. Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph (c) and a five-year financial plan. Such authorizers shall consider and approve applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

(c) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 45 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

- (1) capacity and infrastructure;
- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

(d) An applicant must include in its application to the commissioner to be an approved authorizer at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
- (2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;

(3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters;

(4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6;

(5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;

(6) a description of the criteria and process the authorizer will use to grant expanded applications under subdivision 4, paragraph (j);

(7) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

(8) an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.

(e) A disapproved applicant under this section may resubmit an application during a future application period.

(f) If the governing board of an approved authorizer ~~that has chartered multiple schools~~ votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 23, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year. The commissioner may approve the transfer of a charter school to a new authorizer under this paragraph after the new authorizer submits an affidavit to the commissioner.

(g) The authorizer must participate in department-approved training.

(h) An authorizer that chartered a school before August 1, 2009, must apply by June 30, 2012, to the commissioner for approval, under paragraph (c), to continue as an authorizer under this section. For purposes of this paragraph, an authorizer that fails to submit a timely application is ineligible to charter a school.

(i) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer. If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

(j) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph (c) under which the commissioner approved the authorizer;



- (2) violating a term of the chartering contract between the authorizer and the charter school board of directors;
- (3) unsatisfactory performance as an approved authorizer; or
- (4) any good cause shown that provides the commissioner a legally sufficient reason to take corrective action against an authorizer.

Sec. 10. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph (b). The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

Notwithstanding sections 465.717 and 465.719, a school district, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

(b) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

(c) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

(d) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a nonprofit corporation under chapter 317A and must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph (f). A charter school board of directors must be composed of at least five members who are not related parties. Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election. Board of director meetings must comply with chapter 13D.

(e) ~~Upon the request of an individual, the charter school must make available in a timely fashion~~ A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority; for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and

contact information for the school's authorizer must be included in other school materials made available to the public. Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must post on its official Web site information identifying its authorizer and indicate how to contact that authorizer and include that same information about its authorizer in other school materials that it makes available to the public.

(f) Every charter school board member shall attend ~~department-approved~~ ongoing training throughout the member's term on board governance, including training on the board's role and responsibilities, employment policies and practices, and financial management. A board member who does not begin the required initial training within six months after being seated and complete that training within 12 months of being seated on the board is ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

(g) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays or vacations. The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed at the school or a licensed teacher providing instruction under contract between the charter school and a cooperative; (ii) the parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) an interested community member who is not employed by the charter school and does not have a child enrolled in the school. The board may be a teacher majority board composed of teachers described in this paragraph. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members and may not serve as a voting member of the board. Charter school employees shall not serve on the board unless item (i) applies. Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school. Board bylaws shall outline the process and procedures for changing the board's governance model, consistent with chapter 317A. A board may change its governance model only:

(1) by a majority vote of the board of directors and the licensed teachers employed by the school, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance must conform with the board structure established under this paragraph.

(h) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

(i) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer. Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

(j) An authorizer may permit the board of directors of a charter school to expand the operation of the charter school to additional sites or to add additional grades at the school beyond those described in the authorizer's original affidavit as approved by the commissioner only after submitting a supplemental affidavit for approval to the commissioner in a form and manner prescribed by the commissioner. The supplemental affidavit must document that:

- (1) the proposed expansion plan demonstrates need and projected enrollment;
  - (2) the expansion is warranted, at a minimum, by longitudinal data demonstrating students' improved academic performance and growth on statewide assessments under chapter 120B;
  - (3) the charter school is financially sound and the financing it needs to implement the proposed expansion exists; and
  - (4) the charter school has the governance structure and management capacity to carry out its expansion.
- (k) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 11. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 6, is amended to read:

Subd. 6. **Charter contract.** The authorization for a charter school must be in the form of a written contract signed by the authorizer and the board of directors of the charter school. The contract must be completed within 45 business days of the commissioner's approval of the authorizer's affidavit. The authorizer shall submit to the commissioner a copy of the signed charter contract within ten business days of its execution. The contract for a charter school must be in writing and contain at least the following:

- (1) a declaration of the purposes in subdivision 1 that the school intends to carry out and how the school will report its implementation of those purposes;
- (2) a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;
- (3) a statement of admission policies and procedures;
- (4) a governance, management, and administration plan for the school;
- (5) signed agreements from charter school board members to comply with all federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;
- (6) the criteria, processes, and procedures that the authorizer will use for ongoing oversight of operational, financial, and academic performance;
- (7) the performance evaluation that is a prerequisite for reviewing a charter contract under subdivision 15;
- (8) types and amounts of insurance liability coverage to be obtained by the charter school;
- (9) consistent with subdivision 25, paragraph (d), a provision to indemnify and hold harmless the authorizer and its officers, agents, and employees from any suit, claim, or liability arising from any operation of the charter school, and the commissioner and department officers, agents, and employees notwithstanding section 3.736;
- (10) the term of the initial contract, which may be up to ~~three~~ five years plus an additional preoperational planning year, and up to five years for a renewed contract or a contract with a new authorizer after a transfer of authorizers, if warranted by the school's academic, financial, and operational performance;

(11) how the board of directors or the operators of the charter school will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, a description of the financial parameters within which the charter school will operate to provide the special instruction and services to children with a disability;

(12) the process and criteria the authorizer intends to use to monitor and evaluate the fiscal and student performance of the charter school, consistent with subdivision 15; and

(13) the plan for an orderly closing of the school under chapter 317A, if the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, and that includes establishing the responsibilities of the school board of directors and the authorizer and notifying the commissioner, authorizer, school district in which the charter school is located, and parents of enrolled students about the closure, the transfer of student records to students' resident districts, and procedures for closing financial operations.

Sec. 12. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 13, is amended to read:

Subd. 13. **Length of school year.** A charter school must provide instruction each year for at least the number of ~~days~~ hours required by section 120A.41. It may provide instruction throughout the year according to sections 124D.12 to 124D.127 or 124D.128.

Sec. 13. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 15, is amended to read:

Subd. 15. **Review and comment.** (a) The authorizer shall provide a formal written evaluation of the school's performance before the authorizer renews the charter contract. The department must review and comment on the authorizer's evaluation process at the time the authorizer submits its application for approval and each time the authorizer undergoes its five-year review under subdivision 3, paragraph (e).

(b) An authorizer shall monitor and evaluate the fiscal, operational, and student performance of the school, and may for this purpose annually assess a charter school a fee according to paragraph (c). The agreed-upon fee structure must be stated in the charter school contract.

(c) The fee that each charter school pays to an authorizer each year is the greater of:

(1) the basic formula allowance for that year; or

(2) the lesser of:

(i) the maximum fee factor times the basic formula allowance for that year; or

(ii) the fee factor times the basic formula allowance for that year times the charter school's adjusted marginal cost pupil units for that year. The fee factor equals .005 in fiscal year 2010, .01 in fiscal year 2011, .013 in fiscal year 2012, and .015 in fiscal years 2013 and later. The maximum fee factor equals 1.5 in fiscal year 2010, 2.0 in fiscal year 2011, 3.0 in fiscal year 2012, and 4.0 in fiscal years 2013 and later.

~~(d) The department and any charter school it charters must not assess or pay a fee under paragraphs (b) and (c).~~  
An authorizer may not assess a fee for any required services other than as provided in this subdivision.

(e) For the preoperational planning period, the authorizer may assess a charter school a fee equal to the basic formula allowance.

(f) By September 30 of each year, an authorizer shall submit to the commissioner a statement of expenditures related to chartering activities during the previous school year ending June 30. A copy of the statement shall be given to all schools chartered by the authorizer.

Sec. 14. Minnesota Statutes 2011 Supplement, section 124D.10, subdivision 17a, is amended to read:

Subd. 17a. **Affiliated nonprofit building corporation.** (a) Before a charter school may organize an affiliated nonprofit building corporation (i) to renovate or purchase an existing facility to serve as a school or (ii) to construct a new school facility, an authorizer must submit an affidavit to the commissioner for approval in the form and manner the commissioner prescribes, and consistent with paragraphs (b) and (c) or (d).

(b) An affiliated nonprofit building corporation under this subdivision must:

(1) be incorporated under section 317A ~~and comply with applicable Internal Revenue Service regulations;~~

(2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;

~~(3)~~ (3) submit to the commissioner each fiscal year a list of current board members and a copy of its annual audit; and

~~(4)~~ (4) comply with government data practices law under chapter 13.

An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

(c) A charter school may organize an affiliated nonprofit building corporation to renovate or purchase an existing facility to serve as a school if the charter school:

(1) has been operating for at least five consecutive school years;

(2) has had a net positive unreserved general fund balance as of June 30 in the preceding five fiscal years;

(3) has a long-range strategic and financial plan;

(4) completes a feasibility study of available buildings; ~~and~~

(5) documents enrollment projections and the need to use an affiliated building corporation to renovate or purchase an existing facility to serve as a school; and

(6) has a plan for the renovation or purchase, which describes the parameters and budget for the project.

(d) A charter school may organize an affiliated nonprofit building corporation to expand an existing school facility or construct a new school facility if the charter school:

(1) demonstrates the lack of facilities available to serve as a school;

(2) has been operating for at least eight consecutive school years;

(3) has had a net positive unreserved general fund balance as of June 30 in the preceding ~~eight~~ five fiscal years;

(4) completes a feasibility study of facility options;

(5) has a long-range strategic and financial plan that includes enrollment projections and demonstrates the need for constructing a new school facility; and

(6) has a plan for the expansion or new school facility, which describes the parameters and budget for the project.

(e) A charter school or an affiliated nonprofit building corporation organized by a charter school must not initiate an installment contract for purchase, or a lease agreement, or solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$1,400,000, unless it meets the criteria in paragraph (b) and paragraph (c) or (d), as applicable, and receives a positive review and comment from the commissioner under section 123B.71.

Sec. 15. Minnesota Statutes 2011 Supplement, section 124D.10, is amended by adding a subdivision to read:

Subd. 27. **Collaboration between charter school and school district.** (a) A charter school board may voluntarily enter into a two-year, renewable agreement for collaboration to enhance student achievement with a school district within whose geographic boundary it operates.

(b) A school district need not be an approved authorizer to enter into a collaboration agreement with a charter school. A charter school need not be authorized by the school district with which it seeks to collaborate.

(c) A charter school authorizer is prohibited from requiring a collaboration agreement as a condition of entering into or renewing a charter contract as defined in subdivision 6.

(d) Nothing in this subdivision or in the collaboration agreement may impact in any way, the authority or autonomy of the charter school.

(e) Nothing in this subdivision or in the collaboration agreement shall cause the state to pay twice for the same student, service or facility or otherwise impact state funding, or the flow thereof, to the school district or the charter school.

(f) The collaboration agreement may include, but need not be limited to, collaboration regarding facilities, transportation, training, student achievement, assessments, mutual performance standards and other areas of mutual agreement.

(g) The school district may include the academic performance of the students of a collaborative charter school site operating within the geographic boundaries of the school district, for purposes of student assessment and reporting to the state.

(h) Districts, authorizers, or charter schools entering into a collaborative agreement are equally and collectively subject to the same state and federal accountability measures for student achievement, school performance outcomes, and school improvement strategies. The collaborative agreement and all accountability measures must be posted on the district, charter school, and authorizer Web site.

Sec. 16. Minnesota Statutes 2011 Supplement, section 124D.98, subdivision 2, is amended to read:

Subd. 2. **Proficiency aid.** In fiscal year 2013 and later, the proficiency aid for each school is equal to the product of the school's proficiency allowance times the number of third grade pupils at the school on October 1 of the previous fiscal year. A school's proficiency allowance is equal to the percentage of students in each building that meet or exceed proficiency on the third grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times ~~\$85~~ \$530.

Sec. 17. Minnesota Statutes 2011 Supplement, section 124D.98, subdivision 3, is amended to read:

Subd. 3. **Growth aid.** In fiscal year 2013 and later, the growth aid for each school is equal to the product of the school's growth allowance times the number of fourth grade pupils enrolled at the school on October 1 of the previous fiscal year. A school's growth allowance is equal to the percentage of students at that school making medium or high growth, under section 120B.299, on the fourth grade reading Minnesota Comprehensive Assessment, averaged across the previous three test administrations, times ~~\$85~~ \$530.

Sec. 18. Minnesota Statutes 2011 Supplement, section 126C.40, subdivision 1, is amended to read:

Subdivision 1. **To lease building or land.** (a) When an independent or a special school district or a group of independent or special school districts finds it economically advantageous to rent or lease a building or land for any instructional purposes or for school storage or furniture repair, and it determines that the operating capital revenue authorized under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for permission to make an additional capital expenditure levy for this purpose. An application for permission to levy under this subdivision must contain financial justification for the proposed levy, the terms and conditions of the proposed lease, and a description of the space to be leased and its proposed use.

(b) The criteria for approval of applications to levy under this subdivision must include: the reasonableness of the price, the appropriateness of the space to the proposed activity, the feasibility of transporting pupils to the leased building or land, conformity of the lease to the laws and rules of the state of Minnesota, and the appropriateness of the proposed lease to the space needs and the financial condition of the district. The commissioner must not authorize a levy under this subdivision in an amount greater than the cost to the district of renting or leasing a building or land for approved purposes. The proceeds of this levy must not be used for custodial or other maintenance services. A district may not levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself.

(c) For agreements finalized after July 1, 1997, a district may not levy under this subdivision for the purpose of leasing: (1) a newly constructed building used primarily for regular kindergarten, elementary, or secondary instruction; or (2) a newly constructed building addition or additions used primarily for regular kindergarten, elementary, or secondary instruction that contains more than 20 percent of the square footage of the previously existing building.

(d) Notwithstanding paragraph (b), a district may levy under this subdivision for the purpose of leasing or renting a district-owned building or site to itself only if the amount is needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, and the levy meets the requirements of paragraph (c). A levy authorized for a district by the commissioner under this paragraph may be in the amount needed by the district to make payments required by a lease purchase agreement, installment purchase agreement, or other deferred payments agreement authorized by law, provided that any agreement include a provision giving the school districts the right to terminate the agreement annually without penalty.

(e) The total levy under this subdivision for a district for any year must not exceed \$150 times the resident pupil units for the fiscal year to which the levy is attributable.

(f) For agreements for which a review and comment have been submitted to the Department of Education after April 1, 1998, the term "instructional purpose" as used in this subdivision excludes expenditures on stadiums.

(g) The commissioner of education may authorize a school district to exceed the limit in paragraph (e) if the school district petitions the commissioner for approval. The commissioner shall grant approval to a school district to exceed the limit in paragraph (e) for not more than five years if the district meets the following criteria:

(1) the school district has been experiencing pupil enrollment growth in the preceding five years;

(2) the purpose of the increased levy is in the long-term public interest;

(3) the purpose of the increased levy promotes colocation of government services; and

(4) the purpose of the increased levy is in the long-term interest of the district by avoiding over construction of school facilities.

(h) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with leases of administrative and classroom space for intermediate school district programs. This authority must not exceed \$43 times the adjusted marginal cost pupil units of the member districts. This authority is in addition to any other authority authorized under this section.

(i) In addition to the allowable capital levies in paragraph (a), for taxes payable in 2012 to 2023, a district that is a member of the "Technology and Information Education Systems" data processing joint board, that finds it economically advantageous to enter into a lease agreement to finance improvements to a building and land for a group of school districts or special school districts for staff development purposes, may levy for its portion of lease costs attributed to the district within the total levy limit in paragraph (e). The total levy authority under this paragraph shall not exceed \$632,000.

(j) Notwithstanding paragraph (a), a district may levy under this subdivision for the purpose of leasing administrative space if the district can demonstrate to the satisfaction of the commissioner that the lease cost for the administrative space is no greater than the lease cost for instructional space that the district would otherwise lease. The commissioner must deny this levy authority unless the district passes a resolution stating its intent to lease instructional space under this section if the commissioner does not grant authority under this paragraph. The resolution must also certify that the lease cost for administrative space under this paragraph is no greater than the lease cost for the district's proposed instructional lease.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2013 and later.

Sec. 19. Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision 16, is amended to read:

Subd. 16. **Student organizations.** For student organizations:

\$725,000	.....	2012
\$725,000	.....	2013

\$49,000 each year is for student organizations serving health occupations (~~HUSA~~) (HOSA).

\$46,000 each year is for student organizations serving service occupations (HERO).



\$106,000 each year is for student organizations serving trade and industry occupations (SkillsUSA, secondary and postsecondary).

\$101,000 each year is for student organizations serving business occupations (~~DECA~~, BPA, secondary and postsecondary).

\$158,000 each year is for student organizations serving agriculture occupations (FFA, PAS).

\$150,000 each year is for student organizations serving family and consumer science occupations (FCCLA).

\$115,000 each year is for student organizations serving marketing occupations (~~DEX~~) (DECA, DECA Collegiate).

Any balance in the first year does not cancel but is available in the second year.

Sec. 20. **ONE-YEAR LICENSES.**

Notwithstanding Minnesota Statutes 2010, section 122A.18, subdivision 2, as amended by Laws 2012, chapter 122, section 2, a person who has:

(1) obtained a one-year license to teach; and

(2) taught during the 2011-2012 school year;

may be approved by the Board of Teaching to continue to teach through the end of the 2012-2013 school year.

**EFFECTIVE DATE.** This section is effective retroactively from February 22, 2012.

Sec. 21. **REPEALER.**

Minnesota Statutes 2010, sections 120A.28; 120B.019; 120B.31, subdivision 3; 121A.60, subdivisions 3 and 4; 121A.62; 121A.63; and 122A.18, subdivision 9, are repealed.

ARTICLE 3  
SPECIAL EDUCATION AND OTHER PROGRAMS

Section 1. Minnesota Statutes 2010, section 125A.14, is amended to read:

**125A.14 EXTENDED SCHOOL YEAR.**

A district may provide extended school year services for children with a disability living within the district and nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~. Prior to March 31 or 30 days after the child with a disability is placed in the district, whichever is later, the providing district shall give notice to the district of residence of any nonresident children temporarily placed in the district pursuant to section 125A.15 ~~or 125A.16~~, of its intention to provide these programs. Notwithstanding any contrary provisions in ~~sections section 125A.15 and 125A.16~~, the district providing the special instruction and services must apply for special education aid for the extended school year services. The unreimbursed actual cost of providing the program for nonresident children with a disability, including the cost of board and lodging, may be billed to the district of the child's residence and must be paid by the resident district. Transportation costs must be paid by the district responsible for providing transportation pursuant to section 125A.15 ~~or 125A.16~~ and transportation aid must be paid to that district.

Sec. 2. Minnesota Statutes 2010, section 125A.19, is amended to read:

**125A.19 NONRESIDENT EDUCATION; BILLING.**

All tuition billing for the education of nonresident children pursuant to sections 125A.03 to 125A.24, ~~125A.51, 125A.515,~~ and 125A.65 must be done on uniform forms prescribed by the commissioner. The billing shall contain an itemized statement of costs that are being charged to the district of residence. ~~One copy of each billing must be filed with the commissioner.~~

Sec. 3. Minnesota Statutes 2010, section 125A.515, subdivision 1, is amended to read:

Subdivision 1. **Approval of education programs.** The commissioner shall approve on-site education programs for placement of children and youth in residential facilities including detention centers, before being licensed by the Department of Human Services or the Department of Corrections. Education programs in these facilities shall conform to state and federal education laws including the Individuals with Disabilities Education Act (IDEA). This section applies only to placements in facilities licensed by the Department of Human Services or the Department of Corrections. For purposes of this section, "on-site education program" means the educational services provided directly on the grounds of the care and treatment facility to children and youth placed for care and treatment.

Sec. 4. Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8, is amended to read:

Subd. 8. **Early childhood education scholarships.** For grants to early childhood education scholarships for public or private early childhood preschool programs for children ages 3 to 5:

\$ 4,000,000	<del>2,000,000</del>	. . . . .	2013
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(a) All children whose parents or legal guardians meet the eligibility requirements of paragraph (b) established by the commissioner are eligible to receive early childhood education scholarships under this section.

(b) A parent or legal guardian is eligible for an early childhood education scholarship if the parent or legal guardian:

(1) has a child three or four years of age on September 1, beginning in calendar year 2012; and

(2)(i) has income equal to or less than 47 percent of the state median income in the current calendar year; or

(ii) can document their child's identification through another public funding eligibility process, including the Free and Reduced Price Lunch Program, National School Lunch Act, United States Code, title 42, section 1751, part 210; Head Start under federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; and child care assistance programs under chapter 119B.

Each year, if this appropriation is insufficient to provide early childhood education scholarships to all eligible children, the Department of Education shall make scholarships available on a first-come, first-served basis.

The commissioner of education shall submit a written report to the education committees of the legislature by January 15, 2012, describing its plan for implementation of scholarships under this subdivision for the 2012-2013 school year.

Any balance in the first year does not cancel but is available in the second year.

The base for this program is ~~\$2,000,000~~ \$3,000,000 each year.

Sec. 5. **APPROPRIATIONS.**

Subdivision 1. Department of Education. The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. Parent-child home program. For a grant to the evidence-based early literacy parent-child home program:

<u>\$250,000</u>	<u>.....</u>	<u>2013</u>
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This is a onetime appropriation.

Sec. 6. **REPEALER.**

(a) Minnesota Statutes 2010, sections 125A.16; 125A.80; and 475.53, subdivision 5, are repealed.

(b) Minnesota Statutes 2010, sections 124D.135, subdivisions 8 and 9; 124D.16, subdivisions 6 and 7; and 124D.20, subdivisions 11 and 12, are repealed for revenue for fiscal year 2014 and later."

Delete the title and insert:

"A bill for an act relating to education; providing for general education, education excellence, special education, and other programs; appropriating money; amending Minnesota Statutes 2010, sections 120A.20, subdivision 2; 120A.22, subdivisions 2, 11; 120B.024; 120B.13, subdivisions 1, 4; 122A.40, subdivision 13; 122A.415, subdivision 3; 123B.04; 123B.92, subdivision 3; 124D.08, by adding a subdivision; 124D.09, subdivisions 9, 12, 22, 24, by adding a subdivision; 124D.4531, subdivision 3, by adding a subdivision; 125A.14; 125A.19; 125A.515, subdivision 1; 126C.10, subdivision 28; 126C.19, subdivision 2; 127A.47, subdivision 1; 135A.101, subdivision 1; 471.975; Minnesota Statutes 2011 Supplement, sections 120A.24, subdivisions 1, 2; 120B.023, subdivision 2; 120B.07; 120B.08; 120B.09; 120B.12, subdivision 2; 120B.30, subdivision 1; 122A.40, subdivision 5; 123B.147, subdivision 3; 124D.09, subdivision 7; 124D.10, subdivisions 3, 4, 6, 8, 13, 15, 17a, by adding a subdivision; 124D.4531, subdivision 1; 124D.98, subdivisions 2, 3; 126C.126; 126C.40, subdivision 1; 127A.45, subdivision 6a; Laws 2011, First Special Session chapter 11, article 2, section 50, subdivision 16; article 5, section 11; article 7, section 2, subdivision 8; repealing Minnesota Statutes 2010, sections 120A.28; 120B.019; 120B.31, subdivision 3; 121A.60, subdivisions 3, 4; 121A.62; 121A.63; 122A.18, subdivision 9; 124D.09, subdivision 23; 124D.135, subdivisions 8, 9; 124D.16, subdivisions 6, 7; 124D.20, subdivisions 11, 12; 125A.16; 125A.80; 127A.47, subdivision 2; 475.53, subdivision 5."

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

House Conferees: PAT GAROFALO, PAUL ANDERSON, SONDRERICKSON, JENIFER LOON and DENISE DITTRICH.

Senate Conferees: GEN OLSON, DAVID W. HANN, ROGER C. CHAMBERLAIN, LEROY A. STUMPF and TERRIE BONOFF.

Garofalo moved that the report of the Conference Committee on H. F. No. 2949 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2949, A bill for an act relating to education; modifying certain early childhood and kindergarten through grade 12 policy and finance provisions; requiring reports; appropriating money; amending Minnesota Statutes 2010, sections 120B.13, subdivision 4; 124D.09, subdivisions 9, 10, 12, 24; 135A.101, subdivision 1; 471.975; Minnesota Statutes 2011 Supplement, sections 120B.07; 120B.08; 120B.09; 120B.36, subdivision 1; 124D.09, subdivision 5; 126C.126; 126C.40, subdivision 1; Laws 2011, First Special Session chapter 11, article 5, section 11; article 7, section 2, subdivision 8; repealing Minnesota Statutes 2010, section 124D.09, subdivision 23.

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

The question was taken on the repassage of the bill and the roll was called. There were 119 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abeler	Davnie	Hackbarth	Leidiger	Mullery	Scott
Anderson, B.	Dean	Hamilton	LeMieur	Murdock	Simon
Anderson, D.	Dettmer	Hancock	Lenczewski	Murphy, E.	Slawik
Anderson, P.	Dill	Hansen	Lesch	Murray	Slocum
Anderson, S.	Dittrich	Hilstrom	Lillie	Myhra	Smith
Anzelc	Doepke	Holberg	Loeffler	Nelson	Stensrud
Atkins	Downey	Hoppe	Lohmer	Nornes	Swedzinski
Banaian	Drazkowski	Hornstein	Loon	Norton	Thissen
Barrett	Eken	Hortman	Mack	O'Driscoll	Tillberry
Beard	Erickson	Hosch	Mahoney	Paymar	Torkelson
Benson, J.	Fabian	Howes	Mariani	Pelowski	Urdahl
Benson, M.	Falk	Huntley	Marquart	Peppin	Vogel
Bills	Franson	Kahn	Mazorol	Persell	Wagenius
Buesgens	Fritz	Kath	McDonald	Petersen, B.	Ward
Carlson	Garofalo	Kieffer	McElpatrick	Quam	Wardlow
Champion	Gottwalt	Kiel	McFarlane	Rukavina	Westrom
Cornish	Greene	Kiffmeyer	McNamara	Runbeck	Winkler
Crawford	Greiling	Knuth	Melin	Sanders	Woodard
Daudt	Gruenhagen	Kriesel	Moran	Scalze	Spk. Zellers
Davids	Gunther	Lanning	Morrow	Schomacker	

Those who voted in the negative were:

Brynaert	Hausman	Johnson	Liebling	Poppe
Gauthier	Hilty	Laine	Murphy, M.	

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

### MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

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

S. F. No. 1750.

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.

CAL R. LUDEMAN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 1750

A bill for an act relating to natural resources; modifying Heartland Trail; providing for expedited exchanges of certain lands; adding to and deleting from state parks, state recreation areas, and state forests; authorizing public and private sale of certain state lands; modifying certain easements; modifying certain lease provisions; modifying Mississippi River management plan; amending Minnesota Statutes 2010, sections 84.631; 85.015, subdivision 12; 92.50, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 92.

April 19, 2012

The Honorable Michelle L. Fischbach  
President of the Senate

The Honorable Kurt Zellers  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1750 report that we have agreed upon the items in dispute and recommend as follows:

That the House and Senate recede from their amendments and that S. F. No. 1750 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 84.631, is amended to read:

**84.631 ROAD EASEMENTS ACROSS STATE LANDS.**

(a) Except as provided in section 85.015, subdivision 1b, the commissioner of natural resources, on behalf of the state, may convey a road easement across state land under the commissioner's jurisdiction ~~other than school trust land~~, to a private person requesting an easement for access to property owned by the person only if the following requirements are met: (1) there are no reasonable alternatives to obtain access to the property; and (2) the exercise of the easement will not cause significant adverse environmental or natural resource management impacts.

(b) The commissioner shall:

(1) require the applicant to pay the market value of the easement;

(2) limit the easement term to 50 years if the road easement is across school trust land;

(3) provide that the easement reverts to the state in the event of nonuse; and

(3) (4) impose other terms and conditions of use as necessary and appropriate under the circumstances.

(c) An applicant shall submit an application fee of \$2,000 with each application for a road easement across state land. The application fee is nonrefundable, even if the application is withdrawn or denied.

(d) In addition to the payment for the market value of the easement and the application fee, the commissioner of natural resources shall assess the applicant a monitoring fee to cover the projected reasonable costs for monitoring the construction of the road and preparing special terms and conditions for the easement. The commissioner must give the applicant an estimate of the monitoring fee before the applicant submits the fee. The applicant shall pay the application and monitoring fees to the commissioner of natural resources. The commissioner shall not issue the easement until the applicant has paid in full the application fee, the monitoring fee, and the market value payment for the easement.

(e) Upon completion of construction of the road, the commissioner shall refund the unobligated balance from the monitoring fee revenue.

(f) Fees collected under paragraphs (c) and (d) must be credited to the land management account in the natural resources fund and are appropriated to the commissioner of natural resources to cover the reasonable costs incurred under this section.

Sec. 2. Minnesota Statutes 2010, section 85.015, subdivision 12, is amended to read:

Subd. 12. **Heartland Trail, Clay, Becker, Hubbard, and Cass Counties.** (a) The trail shall originate at Moorhead in Clay County and extend in an easterly direction through Detroit Lakes in Becker County to mile post 90.92 at Park Rapids in Hubbard County; thence in an easterly direction along the Burlington Northern Railroad right-of-way through Walker in Cass County; thence in a northerly direction along the Burlington Northern Railroad right-of-way to Cass Lake in Cass County, and there terminate. A segment shall be established that connects the trail to Itasca State Park.

(b) The trail shall be developed primarily for riding and hiking.

Sec. 3. Minnesota Statutes 2010, section 92.50, subdivision 1, is amended to read:

Subdivision 1. **Lease terms.** (a) The commissioner of natural resources may lease land under the commissioner's jurisdiction and control:

- (1) to remove sand, gravel, clay, rock, marl, peat, and black dirt;
- (2) to store ore, waste materials from mines, or rock and tailings from ore milling plants;
- (3) for roads or railroads; or
- (4) for other uses consistent with the interests of the state.

(b) The commissioner shall offer the lease at public or private sale for an amount and under terms and conditions prescribed by the commissioner. Commercial leases for more than ten years and leases for removal of peat that cover 320 or more acres must be approved by the Executive Council.

(c) The lease term may not exceed ~~ten~~ 21 years except:

(1) leases of lands for storage sites for ore, waste materials from mines, or rock and tailings from ore milling plants, or for the removal of peat for nonagricultural purposes may not exceed a term of 25 years; and

(2) ~~leases for the use of peat lands for agricultural purposes may not exceed 21 years; and~~

~~(3) leases for commercial purposes, including major resort, convention center, or recreational area purposes, may not exceed a term of 40 years.~~

(d) Leases must be subject to sale and leasing of the land for mineral purposes and contain a provision for cancellation for just cause at any time by the commissioner upon six months' written notice. A longer notice period, not exceeding three years, may be provided in leases for storing ore, waste materials from mines or rock or tailings from ore milling plants. The commissioner may determine the terms and conditions, including the notice period, for cancellation of a lease for the removal of peat and commercial leases.

(e) Money received from leases under this section must be credited to the fund to which the land belongs.

Sec. 4. **[92.80] EXPEDITED EXCHANGE OF LAND WITHIN BOUNDARY WATERS CANOE AREA WILDERNESS FOR FEDERALLY OWNED LANDS.**

Subdivision 1. Purpose and scope. (a) The purpose of this section is to expedite the exchange of a portion of the state-owned lands located within the Boundary Waters Canoe Area Wilderness. The state owns 116,559 acres of land within the wilderness area, 86,295 acres of which are school trust land.

(b) Exchange of school trust lands within the Boundary Waters Canoe Area Wilderness for federally owned lands located outside the wilderness area will preserve the spectacular wild areas while producing economic benefits for Minnesota's public schools.

(c) For land exchanges under this section, sections 94.342 to 94.347 apply only to the extent specified in this section.

Subd. 2. Classes of land; definitions. The classes of state land that may be involved in an expedited exchange under this section are:

(1) school trust land as defined in section 92.025;

(2) university land granted to the state by acts of Congress;

(3) all other lands acquired by the state in any manner and under the control of the commissioner of natural resources; and

(4) all lands acquired by the state through tax forfeiture, held subject to a trust in favor of the taxing districts, and under the control of county authorities for classification, appraisal, and sale.

Subd. 3. Priority. An exchange of state land under this section shall give priority to exchanges that provide the most opportunity for revenue generation for the permanent school fund, and priority shall be given to lands within the Superior National Forest in the Mesabi Purchase Unit in St. Louis County and in the following townships in St. Louis County:

(1) Township 59 North, Range 14 West;

(2) Township 59 North, Range 13 West;

(3) Township 60 North, Range 13 West; and

(4) Township 60 North, Range 12 West.

Subd. 4. **Valuation of land; goals.** (a) In an exchange of school trust land, university land, or other land under the control of the commissioner of natural resources for land owned by the United States, the examination and value determination of the land shall be done in a manner as agreed to between the commissioner and the authorized representative of the United States.

(b) In an exchange of tax-forfeited land for land owned by the United States, the examination and value determination shall be done in a manner as agreed to between the county board and the authorized representative of the United States.

(c) All lands exchanged under this section shall be exchanged only for lands of at least substantially equal value. For the purposes of this subdivision, "substantially equal value" has the meaning given under section 94.343, subdivision 3, paragraph (b). No payment is due either party if the lands are of substantially equal value but are not of the same value.

(d) The goals of the exchange shall be:

(1) the state receiving at least as many acres as the number given in exchange by the state; and

(2) reuniting mineral and surface rights.

Subd. 5. **Title.** Title to the land must be examined to the extent necessary for the parties to determine that the title is good, with any encumbrances identified. The parties to the exchange may use title insurance to aid in the determination.

Subd. 6. **Approval by Land Exchange Board.** In accordance with the Minnesota Constitution, article XI, section 10, all expedited land exchanges under this section require the unanimous approval of the Land Exchange Board.

Subd. 7. **Conveyance.** (a) Conveyance of school trust land, university land, or other land under the control of the commissioner of natural resources shall be made by deed executed by the commissioner in the name of the state. Conveyance of tax-forfeited land shall be by a deed executed by the commissioner of revenue in the name of the state.

(b) School trust land, university land, and other land under the control of the commissioner of natural resources and given in exchange is subject to reservations under section 94.343, subdivision 4, and the Minnesota Constitution, article XI, section 10. Tax-forfeited land given in exchange is subject to reservations under section 94.344, subdivision 4, and the Minnesota Constitution, article XI, section 10.

(c) All deeds shall be recorded or registered in the county in which the lands lie.

Subd. 8. **Land status.** Land received in exchange for school trust land, university land, or other land under the control of the commissioner of natural resources is subject to the same trust, if any, and otherwise has the same status as the land given in exchange. Land received in exchange for tax-forfeited land is subject to a trust in favor of the governmental subdivision in which it lies and all laws relating to tax-forfeited land.



Sec. 5. **[92.82] PRIVATE SALE OF SURPLUS STATE LAND WITHIN BOUNDARY WATERS CANOE AREA WILDERNESS; COOK, LAKE, AND ST. LOUIS COUNTIES.**

(a) Notwithstanding sections 92.06, 92.13, 92.14, 92.45, 94.09, and 94.10, the commissioner of natural resources may sell to the United States by private sale the surplus land, including the land bordering public water, that is described in paragraph (d).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) Notwithstanding sections 92.115, 92.12, and 94.10, an appraisal of the lands is not required, and the value of the lands shall be determined in the same manner as the exchange with the United States of other state-owned lands within the Boundary Waters Canoe Area Wilderness.

(d) The land that may be sold is state-owned land under the control of the commissioner of natural resources and located within the boundary of the Boundary Waters Canoe Area Wilderness in Cook, Lake, and St. Louis Counties. The state-owned lands may include the state land for which the school trust interest was extinguished through condemnation, university lands granted to the state by acts of Congress, and all other lands acquired by the state in any manner and under the control of the commissioner of natural resources.

(e) Conveyance of state lands within the Boundary Waters Canoe Area Wilderness to the United States will preserve the spectacular wild areas while producing economic benefits for the state.

(f) Payment for state lands for which the school trust interest was extinguished through condemnation shall be used to pay the award under the condemnation action.

Sec. 6. **DELETIONS FROM STATE PARKS.**

Subdivision 1. **[85.012] [Subd. 28] Interstate State Park, Chisago County.** The following area is deleted from Interstate State Park: that part of Lots 8, 9, and 10 of Block 35 of the Plat of the Town of Taylor's Falls, on file and of record in the Chisago County Recorder's Office, described as follows: beginning at the northwest corner of said Lot 10; thence on an assumed bearing of South 08 degrees 05 minutes 41 seconds West 151.46 feet along the west line of said Lots 10, 9, and 8 to the southwest corner of said Lot 8; thence South 89 degrees 51 minutes 29 seconds East 160.00 feet along the south line of said Lot 8; thence North 00 degrees 30 minutes 25 seconds East 150.00 feet to a point which is 140.00 feet east of the northwest corner of said Lot 10 as measured along the north line thereof; thence North 89 degrees 51 minutes 29 seconds West 140.00 feet to the point of beginning.

Subd. 2. **[85.012] [Subd. 40] McCarthy Beach State Park, St. Louis County.** The following area is deleted from McCarthy Beach State Park: that part of Government Lot 1, Section 20, Township 60 North, Range 21 West, St. Louis County, Minnesota, described as follows: commencing at meander corner #6 on the north line of said section; thence North 89 degrees 49 minutes 20 seconds East, assumed bearing, along the north line of said section 100.00 feet to the point of beginning; thence South 31 degrees 35 minutes 24 seconds East 409.70 feet to the centerline of McCarthy Beach Road; thence North 20 degrees 47 minutes 12 seconds East along said centerline 374.52 feet to the north line of said section; thence South 89 degrees 49 minutes 20 seconds West along the north line of said section 347.53 feet to the point of beginning.

Sec. 7. **ADDITIONS TO STATE RECREATION AREAS.**

Subdivision 1. **[85.013] [Subd. 11b] Greenleaf Lake State Recreation Area, Meeker County.** The following area is added to the Greenleaf Lake State Recreation Area, Meeker County: the Southwest Quarter of the Northwest Quarter and Government Lots 5, 6, 7, and 8, all in Section 20, Township 118 North, Range 30 West, Meeker County, Minnesota, LESS AND EXCEPT the following two tracts:

(1) that part of Government Lot 8, Section 20, Township 118 North, Range 30 West, lying North of the south line of said Section 20 and East of a line at right angles to and beginning at a point on said line 734.6 feet East of its intersection with the centerline of County Road No. 169; and

(2) all that part of Government Lots 7 and 8 of Section 20, Township 118 North, Range 30 West, lying West of County Road No. 169.

**Subd. 2. [85.013] [Subd. 12a] Iron Range Off-Highway Vehicle Recreation Area, St. Louis County.** The following areas are added to the Iron Range Off-Highway Vehicle Recreation Area:

(1) that part of the Northwest Quarter of the Southwest Quarter, Section 25, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying southeasterly of the DM & IR Railroad; and

(2) the East 100 feet of the Southeast Quarter of Section 26, Township 58 North, Range 17 West, St. Louis County, Minnesota.

**Sec. 8. DELETION FROM STATE RECREATION AREA.**

**[85.013] [Subd. 12a] Iron Range Off-Highway Vehicle Recreation Area, St. Louis County.** The following areas are deleted from the Iron Range Off-Highway Vehicle Recreation Area:

(1) that part of the Northeast Quarter of the Southeast Quarter, the Northwest Quarter of the Southeast Quarter, and the Southwest Quarter of the Southeast Quarter, all in Section 26, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying northwesterly of the Gilbert mine pit in said section;

(2) that part of the Southwest Quarter of the Northeast Quarter, Section 35, Township 58 North, Range 17 West, St. Louis County, Minnesota, lying northwesterly of Deep Lake in said section; and

(3) the South Half of Section 36, except the Southeast Quarter of the Southwest Quarter, all in Township 58 North, Range 17 West, St. Louis County, Minnesota.

**Sec. 9. DELETION FROM STATE FOREST.**

**[89.021] [Subd. 18] Fond du Lac State Forest.** The following areas are deleted from the Fond du Lac State Forest:

(1) that part of Section 7 lying east of State Highway 23 and Sections 18, 19, and 30 of Township 48 North, Range 15 West; and

(2) that part of Sections 13 and 24 lying east of State Highway 23 and Section 25 of Township 48 North, Range 16 West.

**Sec. 10. ADDITION TO STATE FOREST.**

**[89.021] [Subd. 35] Nemadji State Forest.** The following areas are added to the Nemadji State Forest:

(1) that part of Section 7 lying east of State Highway 23 and Sections 18, 19, and 30 of Township 48 North, Range 15 West; and

(2) that part of Sections 13 and 24 lying east of State Highway 23 and Section 25 of Township 48 North, Range 16 West.

Sec. 11. **MISSISSIPPI RIVER MANAGEMENT PLAN; CRITICAL AREA ADMINISTRATION.**

(a) Notwithstanding Minnesota Rules, parts 6105.0800 to 6105.0960, or other law to the contrary, those portions of the Mississippi River within the boundaries of the cities of Dayton and Ramsey are exempt from designation as a component of the Minnesota wild, scenic, and recreational rivers system.

(b) The zoning standards in effect in the cities of Dayton and Ramsey on March 1, 2012, shall become the minimum standards for future critical area ordinance approval by the commissioner of natural resources, but the commissioner may, by written approval, allow varied standards, provided the purposes of Minnesota Statutes, section 116G.15, are satisfied.

(c) For purposes of land use districts within the Mississippi River corridor critical area under Minnesota Statutes, section 116G.15, the commissioner of natural resources shall classify the city of Dayton as rural open space according to the governor's Executive Order No. 79-19, published in the State Register on March 12, 1979.

Sec. 12. **PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; BELTRAMI COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Beltrami County may sell the tax-forfeited lands bordering public water that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be sold is located in Beltrami County and is described as:

(1) parcel 01.00113.00;

(2) parcel 01.00204.00;

(3) parcel 34.00558.00; and

(4) parcel 34.00568.00.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

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

Sec. 13. **PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; BIG STONE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Big Stone County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Big Stone County and is described as:

(1) Lots 1 to 12, Block 3, Original Plat; and

(2) Outlot 160, city of Ortonville.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 14. **PRIVATE SALE OF SURPLUS STATE LAND; DAKOTA COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 94.09 and 94.10, the commissioner of natural resources may sell by private sale the surplus land that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The commissioner may sell to the United States for less than the value of the land, as determined by the commissioner, but the conveyance must provide that the land be managed for conservation purposes and reverts to the state if the United States fails to manage the land for conservation purposes.

(c) The land that may be sold is located in Dakota County and is described as: that part of the West Half of the Northeast Quarter of Section 34, Township 27 North, Range 24 West, lying northwesterly of the Chicago and North Western Transportation Company Railroad, and that part of the East Half of the Northwest Quarter of Section 34, Township 27 North, Range 24 West, described as follows: beginning at the northeast corner of said East Half of the Northwest Quarter; thence on an assumed bearing of South 89 degrees 49 minutes 47 seconds West along the north line of said East Half of the Northwest Quarter, a distance of 127.6 feet; thence South 24 degrees 20 minutes 13 seconds West, a distance of 437.59 feet; thence South 47 degrees 28 minutes 32 seconds West, a distance of 522.97 feet; thence South 1/2 degree 31 minutes 28 seconds East, a distance of 866.39 feet to the northwesterly line of the Chicago and North Western Transportation Company Railroad; thence North 44 degrees 39 minutes 07 seconds East, along said northwesterly line, a distance of 130.52 feet to the east line of said East Half of the Northwest Quarter; thence North 00 degrees 42 minutes 27 seconds East, along the east line of said East Half of the Northwest Quarter, a distance of 1,487.79 feet to the point of beginning; containing 30.72 acres, more or less.

(d) The Department of Natural Resources has determined that the state's land management interests would best be served if the land was conveyed to the United States. The land was part of the Black Dog Preserve Scientific and Natural Area, which was de-designated by the commissioner, effective November 21, 2011. The United States, acting by and through the United States Fish and Wildlife Service, wishes to acquire the land for inclusion in the Minnesota Valley National Wildlife Refuge.

Sec. 15. **PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; GOODHUE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Goodhue County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Goodhue County and is described as:

(1) part of Lot 3, Welch Township, Section 26, Township 114 North, Range 16 West (parcel 46.126.0070); and

(2) Lots 4, 5, 6, 7, and 8, Block 6, Emerald Valley, city of Wanamingo (parcels 70.147.1010, 70.147.1020, 70.147.1030, 70.147.1040, and 70.147.1050).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

**Sec. 16. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45; 282.01, subdivision 1a; and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may convey to a governmental subdivision of the state for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land reverts to the state if the governmental subdivision stops using the land as a flood plain and open space and for wetland mitigation purposes.

(c) The land to be conveyed is located in Hennepin County and is described as: that part of Government Lot 3 lying South of the North 45 rods thereof and North of Nichols Shoreland and lying westerly of Magda Drive, Section 36, Township 119 North, Range 22 West (Hennepin County tax identification no. 36-119-22 11 0004).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to a governmental subdivision of the state for use as a flood plain and open space and for wetland mitigation purposes.

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

**Sec. 17. CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45; 282.01, subdivision 1a; and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may convey to a governmental subdivision of the state for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land reverts to the state if the governmental subdivision stops using the land for preservation of wetlands.

(c) The land to be conveyed is located in Hennepin County and is described as: Government Lot 1, Section 19, Township 120 North, Range 22 West (Hennepin County tax identification no. 19-120-22 22 0001).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to a governmental subdivision of the state for preservation of wetlands.

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

Sec. 18. **CONVEYANCE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; HENNEPIN COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45; 282.01, subdivision 1a; and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Hennepin County may convey to the city of Corcoran for no consideration the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land reverts to the state if the city of Corcoran stops using the land for a recreational trail and for storm water ponding.

(c) The land to be conveyed is located in Hennepin County and is described as: Outlot A, Lake Jubert Estates (Hennepin County tax identification no. 29-119-23 43 0008).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to the city of Corcoran for a recreational trail and for storm water ponding.

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

Sec. 19. **PRIVATE SALE OF TAX-FORFEITED LANDS; ITASCA COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Itasca County may sell by private sale to the adjoining landowner the tax-forfeited lands that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The purchaser must provide a certified survey of the parcel to be sold that is acceptable to Itasca County and must pay all survey and appraisal costs.

(c) The land to be sold is in Itasca County and is described as:

(1) a parcel of land situated in Government Lot 7, Section 14, Township 54 North, Range 27 West, more particularly described as follows: commencing at the southeast corner of said Government Lot 7; thence North 01 degrees 06 minutes 20 seconds West, bearing assigned along the east line of said Government Lot 7, a distance of 975.45 feet to the point of beginning; thence North 59 degrees 29 minutes 01 seconds West 120.07 feet more or less to intersect a line that is 100.00 feet westerly of the east line of said Government Lot 7; thence North 01 degrees 06 minutes 20 seconds West on a line 100.00 feet westerly of the east line of said Government Lot 7, a distance of 50.41 feet; thence North 23 degrees 18 minutes 59 seconds East 241.87 feet more or less to a 2-1/2 inch aluminum cap affixed to a 5/8 inch by 2-foot rebar along the east line of said Government Lot 7; thence South 01 degrees 06 minutes 20 seconds East along the east line of said Government Lot 7, a distance of 332.21 feet to the point of beginning and there terminate; and

(2) the South 15 feet of the East 100 feet of the West 460 feet of the Northeast Quarter of the Southwest Quarter, Section 10, Township 61 North, Range 23 West.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

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

Sec. 20. **PRIVATE SALE OF TAX-FORFEITED LAND; KOOCHICHING COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, Koochiching County may sell by private sale the tax-forfeited lands that are described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. Prior to the sale, the county shall grant an easement in accordance with Minnesota Statutes, section 282.04, subdivision 4, to provide for public road access.

(c) The land to be sold is in Koochiching County and is described as: the South Half of the Southeast Quarter of the Southwest Quarter of Section 6, Township 63 North, Range 25 West.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

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

Sec. 21. **SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; LAKE COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, Lake County may sell the tax-forfeited lands bordering public waters that are described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy.

(c) The land to be sold is in Lake County and is described as Government Lot 2, Government Lot 3, and the Southeast Quarter of the Northwest Quarter, all in Section 36, Township 60 North, Range 7 West.

(d) The county has determined that the county's land management interests would be best served if the lands were returned to private ownership.

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

Sec. 22. **PRIVATE SALE OF TAX-FORFEITED LAND; LAKE COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, Lake County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Lake County and is described as: the Northeast Quarter of the Southeast Quarter, Section 19, Township 56 North, Range 9 West.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 23. **PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATERS; MORRISON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 282.01, subdivision 1a, and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Morrison County may convey to a governmental subdivision of the state for less than market value for public use as a park, the tax-forfeited land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must provide that the land be for public use as a park and reverts to the state if the governmental subdivision of the state abandons such use.

(c) The land to be sold is located in Morrison County and is described as: Government Lot 20, Section 18, Township 133 North, Range 31 West, Morrison County, less that part described as follows: beginning at the southwest corner of said Section 18; thence North 0 degrees 01 minute 24 seconds East along the west line of said Section 18 a distance of 180.00 feet; thence South 89 degrees 47 minutes 30 seconds East a distance of 450.00 feet; thence South 0 degrees 01 minute 24 seconds West a distance of 147.00 feet; thence South 89 degrees 47 minutes 30 seconds East a distance of 776.83 feet to the westerly right-of-way of State Highway 10; thence southerly along said westerly right-of-way line a distance of 14.61 feet along a nontangential curve concave to the East, having a radius of 5,789.58 feet and a central angle of 0 degrees 08 minutes 41 seconds, the chord of said curve bears South 0 degrees 14 minutes 53 seconds West; thence South 0 degrees 10 minutes 32 seconds West along said westerly right-of-way line a distance of 18.39 feet to the south line of said Section 18; thence North 89 degrees 47 minutes 30 seconds West along the southerly line of said Section 18 a distance of 1,226.72 feet to the point of beginning (parcel 410029000).

(d) The county has determined that the county's land management interests would be best served if the land is conveyed to a governmental subdivision for public use as a park.

Sec. 24. **PRIVATE SALE OF SURPLUS STATE LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45, 94.09, and 94.10, the commissioner of natural resources may sell by private sale the surplus land bordering public water that is described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make necessary changes to the legal description to correct errors and ensure accuracy. The conveyance must be subject to the perpetual easement described in paragraph (d).

(c) The land that may be sold is located in St. Louis County and is described as: that part of Government Lot 1, Section 20, Township 60 North, Range 21 West, St. Louis County, Minnesota, described as follows: commencing at meander corner #6 on the north line of said section; thence North 89 degrees 49 minutes 20 seconds East, assumed bearing, along the north line of said section 100.00 feet to the point of beginning; thence South 31 degrees 35 minutes 24 seconds East 409.70 feet to the centerline of McCarthy Beach Road; thence North 20 degrees 47 minutes 12 seconds East along said centerline 374.52 feet to the north line of said section; thence South 89 degrees 49 minutes 20 seconds West along the north line of said section 347.53 feet to the point of beginning, containing 1.4 acres, more or less. Subject to existing easements of record.

(d) Prior to the sale of the land described in paragraph (c), the commissioner shall convey a perpetual easement according to Minnesota Statutes, section 84.631, for the benefit of Lots 50, 51, and 52 of the Plat of McCarthy's Beach over and across an existing driveway being a strip of land 16.5 feet in width, lying 8.25 feet on each side of



the following described centerline: commencing at meander corner #6 on the north line of Section 20; thence North 89 degrees 49 minutes 20 seconds East, assumed bearing, along the north line of said section 196.98 feet to the centerline of an existing driveway and the point of beginning; thence South 20 degrees 14 minutes 17 seconds East 54.79 feet; thence South 17 degrees 53 minutes 29 seconds East 47.03 feet; thence South 04 degrees 05 minutes 31 seconds East 44.44 feet; thence South 06 degrees 18 minutes 21 seconds West 61.38 feet; thence South 04 degrees 27 minutes 18 seconds West 53.03 feet; thence South 01 degree 47 minutes 03 seconds East 90.46 feet, more or less, to the centerline of McCarthy Beach Road and there terminating, containing 0.13 acres, more or less.

(e) The land to be sold is part of a parcel that borders Big Sturgeon Lake. The Department of Natural Resources has determined that the land is not needed for natural resource purposes and that the state's land management interests would be best served if the land were conveyed to an adjacent landowner to resolve an inadvertent trespass.

Sec. 25. **PUBLIC SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; ST. LOUIS COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, St. Louis County may sell the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. The easement required under paragraph (c), clause (9), shall be memorialized on the certificate of title according to Minnesota Statutes, section 508.49, upon filing of the instrument that creates the easement.

(c) The land to be sold is located in St. Louis County and is described as:

(1) all of Government Lot 1, Section 26, Township 51 North, Range 13 West, lying South of the Duluth and Iron Range Railway, except the East 1,184.75 feet (parcel 010-2690-00520);

(2) the West 135 feet of the East 1,184.75 feet of that part of Government Lot 1, Section 26, Township 51 North, Range 13 West, South of the Duluth and Iron Range Railway (parcel 010-2690-00521);

(3) the Northeast Quarter of the Northeast Quarter, Section 18, Township 58 North, Range 20 West (parcel 235-0010-03050);

(4) the Southeast Quarter of the Northeast Quarter, Section 34, Township 59 North, Range 20 West (parcel 235-0030-05460);

(5) Government Lot 4, Section 11, Township 58 North, Range 16 West, except the railway right-of-way 5.55 acres and except that part West of County State-Aid Highway 4 (parcel 260-0012-00150);

(6) Government Lot 5, Section 11, Township 58 North, Range 16 West (parcel 260-0012-00160);

(7) the Northeast Quarter of the Southeast Quarter, Section 22, Township 57 North, Range 18 West, except the North 250 feet of the East 600 feet and except the highway right-of-way (parcel 295-0016-00120);

(8) Lot 7, Block 1, Reinkes Shore Lots, town of Cotton, Section 20, Township 54 North, Range 16 West (parcel 305-0043-00070);

(9) the West Half of the Northeast Quarter of the Northeast Quarter, Section 27, Township 52 North, Range 12 West (parcel 315-0020-04395). Prior to sale of this land, the commissioner of revenue shall grant an easement according to Minnesota Statutes, section 282.37, to provide riparian protection and angler access. The easement must be 150 feet in width, lying 75 feet on each side of the centerline of the river;

(10) Outlot 4, Rearrangement Eagles Nest, Section 22, Township 62 North, Range 14 West (parcel 317-0081-00100);

(11) an undivided half interest in Government Lot 2, Section 33, Township 55 North, Range 16 West (parcel 320-0010-05400);

(12) an undivided half interest in Government Lot 2, Section 33, Township 55 North, Range 16 West (parcel 320-0010-05401);

(13) Government Lot 2, Section 6, Township 55 North, Range 17 West, except the 1.34 acres at the southwest corner (parcel 320-0020-00830);

(14) the North Half of the Southwest Quarter of the Southeast Quarter, Section 17, Township 62 North, Range 12 West (parcel 465-0010-02420);

(15) the Southwest Quarter of the Northeast Quarter, Section 27, Township 61 North, Range 16 West (parcel 560-0011-04320); and

(16) the Southwest Quarter of the Northeast Quarter, Section 3, Township 57 North, Range 15 West (parcel 570-0010-00370).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 26. **PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County may sell by private sale the tax-forfeited land described in paragraph (c).

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in St. Louis County and is described as:

(1) Lot P, Block 18, Hunter/Markells Grassy Point Addition to Duluth, Section 13, Township 49 North, Range 15 West, except the railway right-of-way, including part of the adjacent vacated avenue and including part of the vacated street (parcel 010-2420-03700); and

(2) the Northeast Quarter of the Southwest Quarter, Section 6, Township 57 North, Range 19 West, except that part South of the railway right-of-way and except the 5.15 acres North of the railway right-of-way except beginning at a point 588 feet South of the northeast corner on the east line; thence North 79 degrees 57 minutes 49 seconds West a distance of 775 feet to the easterly right-of-way of County Highway 451; thence northerly and easterly along the right-of-way to the easterly line of forty; thence South along the east line a distance of 516 feet to the point of beginning (parcel 290-0010-00990).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 27. **PRIVATE SALE OF TAX-FORFEITED LAND; ST. LOUIS COUNTY.**

(a) Notwithstanding the public sale provisions of Minnesota Statutes, chapter 282, or other law to the contrary, St. Louis County shall sell the tax-forfeited land described in paragraph (c) to the city of Virginia.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy. Notwithstanding Minnesota Statutes, section 282.01, subdivision 1a, the county shall sell the land to the city of Virginia for less than the appraised value, not to exceed \$25,000.

(c) The land to be sold is located in St. Louis County and is described as: that part of the Southwest Quarter of the Southeast Quarter, Section 8, Township 58 North, Range 17 West, commencing at the southwest corner of said forty; thence North 87 degrees 38 minutes 02 seconds East 124.67 feet to the point of beginning; thence North 23 degrees 30 minutes 20 seconds West 91.12 feet; thence North 87 degrees 38 minutes 02 seconds East parallel to the south line 252.66 feet; thence North 02 degrees 21 minutes 58 seconds West 415 feet; thence North 87 degrees 38 minutes 02 seconds East 350 feet; thence South 02 degrees 21 minutes 58 seconds East 500 feet to the south line of said forty; thence South 87 degrees 38 minutes 02 seconds West 569.80 feet to the point of beginning; except assuming the west line of the Southwest Quarter of the Southeast Quarter to bear North 01 degree 57 minutes 18 seconds West and commencing at the southwest corner of said forty; thence run North 87 degrees 38 minutes 02 seconds East along the south line 444.47 feet to the point of beginning; thence run North 02 degrees 21 minutes 58 seconds West 500 feet; thence North 87 degrees 38 minutes 02 seconds East 250 feet; thence South 02 degrees 21 minutes 58 seconds East 500 feet to the south boundary line of said forty; thence South 87 degrees 38 minutes 02 seconds West 250 feet to the point of beginning. 1.61 acres. (parcel 090-0195-00205).

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 28. **SALE OF TAX-FORFEITED LEASED LANDS; ST. LOUIS COUNTY.**

Subdivision 1. **Sale authorized.** Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, St. Louis County may in its sole discretion sell tax-forfeited lakeshore lots that are currently leased. St. Louis County may also sell other adjacent tax-forfeited lands under this section necessary for roadway access and the creation of conforming lot sizes.

Subd. 2. **Method of sale.** (a) The leaseholder of a leased parcel may purchase at private sale the leased parcel and any other lands allocated to the parcel by the county under subdivision 6 that is offered for sale under this section. The purchase price is the appraised value of the land under subdivision 3 exclusive of improvements on it. To purchase a parcel, a leaseholder must pay in cash to the county an amount equal to the appraised value of the land within 180 days from the date of mailing to or service of notice of appraised value to the leaseholder by the county. The 180-day period runs from the date of mailing of a copy of the appraisal to the leaseholder at the address shown upon the most recent lease agreement between the parties, exclusive of the date of mailing or service. The county may use any alternative method of notice under the Minnesota Rules of Civil Procedure for the service of a summons and complaint.

(b) If the leaseholder does not purchase the parcel so offered, the county may offer the lands for sale at public auction under the provisions of Minnesota Statutes, section 282.01, subdivision 3. If a person other than the leaseholder purchases the parcel, the purchaser must make payment in full to the leaseholder in the manner provided in Minnesota Statutes, section 92.06, subdivision 4, for the value of any improvements as determined under subdivision 3.

(c) Failure of a purchaser to comply with the terms of payment voids the sale and the property may be reoffered for sale.

Subd. 3. **Appraisal.** (a) An appraisal must be made in accordance with Minnesota Statutes, section 282.01, subdivision 3, except as modified by this subdivision. Improvements that are owned by the lessee must be appraised separately.

(b) The county shall select the appraiser. The appraiser selected must meet the minimal appraisal standards established by the federal Farmers Home Administration or the federal Veterans Administration, and be licensed under Minnesota Statutes, section 82B.03, to appraise the property to be sold.

(c) The costs of appraisal must be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the appraisal costs allocated to the lot purchased. If no one purchases a lot, the county is responsible for the appraisal cost.

(d) If a leaseholder disagrees with the appraised value of the leasehold improvements, the leaseholder may select an appraiser that meets the qualifications in paragraph (b) to reappraise the improvements. The leaseholder must give notice of intent to object to the appraised value of the improvements within ten days of the date of the mailing or service of notice under subdivision 2, paragraph (a). The reappraisal must be delivered by the leaseholder to the county auditor within 60 days of the date of mailing or service of notice of appraised value under subdivision 2, paragraph (a), or the initial appraisal shall be conclusive. The leaseholder is responsible for the costs of the reappraisal. If the parcel is reappraised within the time required in this paragraph and the county and the leaseholder fail to agree on the value of the improvements by a date set by the county, each of the appraisers shall agree upon the selection of a third appraiser to conduct a third appraisal that shall be conclusive as to the value of the improvements. The cost of this appraisal must be paid equally by the county and the leaseholder.

Subd. 4. **Proceeds.** (a) Except as provided in paragraph (b), the proceeds from the sale of land described in subdivision 1 must be deposited by the county into an environmental trust fund as provided in Laws 1998, chapter 389, article 16, section 31, subdivision 4, as amended.

(b) The following amounts may be withheld by a county board and not deposited into an environmental trust fund: the costs of appraisal, abstracts, and surveys; money received from a sale that is attributable to land owned by a county in fee; amounts paid to lessees for improvements; and the costs of sale to lessees or other parties, including the costs of advertising, realtors, and closing services.

Subd. 5. **Survey.** (a) Prior to offering it for sale, St. Louis County shall have each lot surveyed by a licensed surveyor.

(b) The costs of the survey must be allocated by the county to the lots offered for sale and the successful purchaser on each lot shall reimburse the county for the survey costs allocated to the lot purchased. If no one purchases the lot, the county is responsible for the survey costs. All surveying must be conducted by a licensed surveyor.

Subd. 6. **Adding lands; zoning conformance.** Any lands to be sold under this section must be considered lots of record for zoning purposes. Whenever possible, St. Louis County may add land to the lots offered for sale to permit conformance with zoning requirements. The added lands must be included in the appraised value of the lot.

Subd. 7. **Roadways.** St. Louis County has the authority to designate whether roads within minor subdivisions under the county platting and subdivision ordinance are public or private.

Subd. 8. **Opt out; continuation of lease.** The leaseholder may elect not to purchase the leased parcel if offered for sale under this section and instead continue in the annual lease program with the county, not to exceed the lifetime of the leaseholder. The fee for a lease under this subdivision shall include the amount of the estimated property tax on the parcel if it had been returned to private ownership.

Subd. 9. **Sunset.** This section expires five years after the effective date.

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

Sec. 29. **PRIVATE SALE OF LAND; ST. LOUIS COUNTY.**

Subdivision 1. **Private sale of land.** (a) Notwithstanding Minnesota Statutes, section 373.01, or any other law to the contrary, St. Louis County may, without advertising for bids, sell and convey directly to the current lessee or its assigns the land described in paragraph (b). The consideration must be in an amount negotiated between the county and the lessee or its assigns. The conveyance must be executed by October 31, 2014.

(b) The land to be sold is located in St. Louis County and consists of the parcel of property known as the Chris Jensen Health & Rehabilitation Center and adjacent property, all located within the following legal description: a parcel of land located within the Northwest Quarter, Section 16, Township 50 North, Range 14 West of the Fourth Principal Meridian lying west of Rice Lake Road.

(c) Notwithstanding Minnesota Statutes, section 373.01, or any other law to the contrary, St. Louis County may include some or all tangible and intangible personal property associated with the land to be sold as part of the negotiated sale price.

(d) The conveyance must be in a form approved by the St. Louis county attorney. The county attorney may change the land description in paragraph (b) to implement the intent of St. Louis County.

(e) The lessee is providing under the lease nursing home services formerly provided by the county, and the county has determined that its land management interests are best served if the ownership of the property is transferred to the lessee or its assigns.

Subd. 2. **Disposition of lease.** Upon the conveyance, the existing lease of the real and personal property is merged into the fee ownership.

**EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day after the governing body of St. Louis County and its chief clerical officer comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 29. **PRIVATE SALE OF TAX-FORFEITED LAND BORDERING PUBLIC WATER; WASHINGTON COUNTY.**

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Washington County may sell by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The conveyance must be in a form approved by the attorney general. The attorney general may make changes to the land description to correct errors and ensure accuracy.

(c) The land to be sold is located in Washington County and is described as: Block 21, Division No. 1, St. Paul Park, together with the south half of vacated Second Avenue adjacent to the north side of Block 21 and the west half of Front Street adjacent to the east side of Block 21 (parcel 02.027.22.41.0011).

(d) The sale would be to an adjacent landowner and the Department of Natural Resources has determined that the land is not appropriate for the department to manage."

Delete the title and insert:

"A bill for an act relating to natural resources; modifying Heartland Trail; providing for expedited exchanges of certain lands; adding to and deleting from state parks, state recreation areas, and state forests; authorizing public and private sale of certain state and county lands; modifying certain easements; modifying certain lease provisions; modifying Mississippi River management plan; amending Minnesota Statutes 2010, sections 84.631; 85.015, subdivision 12; 92.50, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 92."

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

Senate Conferees: JOHN J. CARLSON, BILL G. INGEBRIGTSEN and ROD SKOE.

House Conferees: DAVID HANCOCK, DENNY MCNAMARA and TOM RUKAVINA.

Hancock moved that the report of the Conference Committee on S. F. No. 1750 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1750, A bill for an act relating to natural resources; modifying Heartland Trail; providing for expedited exchanges of certain lands; adding to and deleting from state parks, state recreation areas, and state forests; authorizing public and private sale of certain state lands; modifying certain easements; modifying certain lease provisions; modifying Mississippi River management plan; amending Minnesota Statutes 2010, sections 84.631; 85.015, subdivision 12; 92.50, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 92.

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 95 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abeler	Buesgens	Drazkowski	Hackbarth	Kriesel	McDonald
Anderson, B.	Champion	Eken	Hamilton	Laine	McElpatrick
Anderson, D.	Cornish	Erickson	Hancock	Lanning	McFarlane
Anderson, P.	Crawford	Fabian	Hansen	Leidiger	McNamara
Anderson, S.	Daudt	Falk	Holberg	LeMieur	Melin
Anzelc	Davids	Franson	Hoppe	Lillie	Moran
Atkins	Dean	Fritz	Hosch	Lohmer	Morrow
Banaian	Dettmer	Garofalo	Howes	Loon	Murdock
Barrett	Dill	Gauthier	Kath	Mack	Murray
Beard	Dittrich	Gottwalt	Kieffer	Mahoney	Myhra
Benson, M.	Doepke	Gruenhagen	Kiel	Marquart	Nelson
Bills	Downey	Gunther	Kiffmeyer	Mazorol	Nornes

Norton	Persell	Rukavina	Scott	Torkelson	Westrom
O'Driscoll	Petersen, B.	Runbeck	Smith	Urdahl	Woodard
Pelowski	Poppe	Sanders	Stensrud	Vogel	Spk. Zellers
Peppin	Quam	Schomacker	Swedzinski	Wardlow	

Those who voted in the negative were:

Benson, J.	Hausman	Johnson	Loeffler	Scalze	Wagenius
Brynaert	Hilstrom	Kahn	Mariani	Simon	Ward
Carlson	Hilty	Knuth	Mullery	Slawik	Winkler
Davnie	Hornstein	Lenczewski	Murphy, E.	Slocum	
Greene	Hortman	Lesch	Murphy, M.	Thissen	
Greiling	Huntley	Liebling	Paymar	Tillberry	

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

Mr. 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. 2731, A bill for an act relating to energy; requiring an assessment and grant for the purpose of community energy technical assistance and outreach.

CAL R. LUDEMAN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Torkelson moved that the House concur in the Senate amendments to H. F. No. 2731 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2731, A bill for an act relating to energy; requiring an assessment and grant for the purpose of community energy technical assistance and outreach; requiring a report.

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 125 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Barrett	Cornish	Dittrich	Fritz	Hackbarth
Anderson, B.	Beard	Crawford	Doepke	Garofalo	Hamilton
Anderson, D.	Benson, J.	Daudt	Downey	Gauthier	Hancock
Anderson, P.	Benson, M.	Dauids	Eken	Gottwalt	Hansen
Anderson, S.	Bills	Davnie	Erickson	Greene	Hausman
Anzelc	Brynaert	Dean	Fabian	Greiling	Hilstrom
Atkins	Carlson	Dettmer	Falk	Gruenhagen	Hilty
Banaian	Champion	Dill	Franson	Gunther	Holberg

Hoppe	Kriesel	Mahoney	Murphy, E.	Quam	Thissen
Hornstein	Laine	Mariani	Murphy, M.	Rukavina	Tillberry
Hortman	Lanning	Marquart	Murray	Runbeck	Torkelson
Hosch	Leidiger	Mazorol	Myhra	Sanders	Urdahl
Howes	LeMieur	McDonald	Nelson	Scalze	Vogel
Huntley	Lenczewski	McElfrick	Nornes	Schomacker	Wagenius
Johnson	Lesch	McFarlane	Norton	Scott	Ward
Kahn	Liebling	McNamara	O'Driscoll	Simon	Wardlow
Kath	Lillie	Melin	Paymar	Slawik	Westrom
Kieffer	Loeffler	Moran	Pelowski	Slocum	Winkler
Kiel	Lohmer	Morrow	Persell	Smith	Woodard
Kiffmeyer	Loon	Mullery	Petersen, B.	Stensrud	Spk. Zellers
Knuth	Mack	Murdock	Poppe	Swedzinski	

Those who voted in the negative were:

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

Mr. Speaker:

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

S. F. No. 2098.

CAL R. LUDEMAN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 2098, A bill for an act relating to utilities; modifying the reporting obligations of certain cooperative utilities under the integrated resource planning process; amending Minnesota Statutes 2010, section 216B.2422, by adding a subdivision.

The bill was read for the first time.

Murray moved that S. F. No. 2098 and H. F. No. 2747, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of S. F. No. 1922.

S. F. No. 1922 was reported to the House.



Buesgens, Bills, Erickson, Drazkowski, Greiling, Wardlow and Petersen, B., moved to amend S. F. No. 1922, the third engrossment, as follows:

Page 1, after line 6, insert:

"Section 1. Minnesota Statutes 2010, section 14.05, subdivision 6, is amended to read:

Subd. 6. ~~Veto~~ **Governor's approval of adopted rules.** Prior to publication of the adopted rule in the state register, the governor may veto all or a severable portion of ~~must approve~~ a rule of an agency as defined in section 14.02, subdivisions 2 and 4, by signing and submitting a notice of the veto to the State Register within 14 days of receiving a copy of the rule from the secretary of state under section 14.16, subdivision 3, 14.26, subdivision 3, or 14.386 or of approval to the agency under section 14.389, subdivision 3, or section 14.3895. ~~The veto is effective when the veto notice is submitted to the State Register.~~ in the following form: "Governor \_\_\_\_\_, Agency \_\_\_\_\_ Rule Number \_\_\_\_\_ Date \_\_\_\_\_". This authority applies only to the extent that the agency itself would have authority, through rulemaking, to take such action. ~~If the governor vetoes a rule or portion of a rule under this section, the governor shall notify the chairs of the legislative committees having jurisdiction over the agency whose rule was vetoed. The governor shall transmit the approval to the state agency, which shall publish the approval with its notice of adoption in the state register. A rule is not effective unless it has been approved by the governor under this section and the approval has been published by the agency with the notice of adoption in the state register. This section also applies to rules adopted under section 14.386, 14.388, and 14.389.~~

**EFFECTIVE DATE.** This section is effective for notices of hearings or notices to adopt rules on or after the day following final enactment."

Page 3, after line 10, insert:

"Sec. 4. Minnesota Statutes 2010, section 14.18, subdivision 1, is amended to read:

Subdivision 1. **Generally.** A rule is effective after it has been subjected to all requirements described in sections 14.05, subdivision 6, 14.131 to 14.20 and five working days after the notice of adoption is published in the State Register unless a later date is required by section 14.126 or other law or specified in the rule. If the rule adopted is the same as the proposed rule, publication may be made by publishing notice in the State Register that the rule has been adopted as proposed and by citing the prior publication. If the rule adopted differs from the proposed rule, the portions of the adopted rule that differ from the proposed rule must be included in the notice of adoption together with a citation to the prior State Register publication of the remainder of the proposed rule. The nature of the modifications must be clear to a reasonable person when the notice of adoption is considered together with the State Register publication of the proposed rule, except that modifications may also be made that comply with the form requirements of section 14.07, subdivision 7.

If the agency omitted from the notice of proposed rule adoption the text of the proposed rule, as permitted by section 14.14, subdivision 1a, paragraph (b), the chief administrative law judge may provide that the notice of the adopted rule need not include the text of any changes from the proposed rule. However, the notice of adoption must state in detail the substance of the changes made from the proposed rule, and must state that a free copy of the portion of the adopted rule that was the subject of the rulemaking proceeding, not including any material adopted by reference as permitted by section 14.07, is available upon request to the agency.

**EFFECTIVE DATE.** This section is effective for notices of hearings or notices to adopt rules on or after the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

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

The question was taken on the Buesgens et al amendment and the roll was called. There were 54 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Cornish	Greiling	Kieffer	McElfatrick	Schomacker
Anderson, D.	Crawford	Gruenhagen	Kiffmeyer	Murphy, M.	Scott
Anderson, P.	Daudt	Gunther	Laine	Myhra	Smith
Anderson, S.	Dean	Hackbarth	Leidiger	Nornes	Stensrud
Banaian	Doepke	Hamilton	Lohmer	Peppin	Swedzinski
Barrett	Downey	Hancock	Loon	Petersen, B.	Wardlow
Benson, M.	Drazkowski	Holberg	Mack	Quam	Westrom
Bills	Erickson	Hoppe	Mariani	Sanders	Woodard
Buesgens	Franson	Kahn	McDonald	Scalze	Spk. Zellers

Those who voted in the negative were:

Abeler	Eken	Hosch	Lillie	Murray	Slocum
Anzelc	Fabian	Howes	Loeffler	Nelson	Thissen
Atkins	Falk	Huntley	Mahoney	Norton	Tillberry
Beard	Fritz	Johnson	Marquart	O'Driscoll	Torkelson
Benson, J.	Garofalo	Kath	Mazorol	Paymar	Urdahl
Brynaert	Gauthier	Kiel	McFarlane	Pelowski	Vogel
Carlson	Gottwalt	Knuth	McNamara	Persell	Wagenius
Champion	Hansen	Kriesel	Melin	Poppe	Ward
Davids	Hausman	Lanning	Moran	Rukavina	Winkler
Davnie	Hilstrom	LeMieur	Morrow	Runbeck	
Dettmer	Hilty	Lenczewski	Mullery	Shimanski	
Dill	Hornstein	Lesch	Murdock	Simon	
Dittrich	Hortman	Liebling	Murphy, E.	Slawik	

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

S. F. No. 1922, A bill for an act relating to state government; regulating agency rulemaking; modifying notice to the legislature and requirements for statements of need and reasonableness; requiring certain reports; amending Minnesota Statutes 2010, sections 14.116; 14.131.

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 88 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gruenhagen	LeMieur	Myhra	Smith
Anderson, B.	Davids	Gunther	Lesch	Nelson	Stensrud
Anderson, D.	Dean	Hackbarth	Lohmer	Nornes	Swedzinski
Anderson, P.	Dettmer	Hamilton	Loon	Norton	Thissen
Anderson, S.	Dill	Hancock	Mack	O'Driscoll	Torkelson
Anzelc	Dittrich	Holberg	Marquart	Peppin	Urdahl
Atkins	Doepke	Hoppe	Mazorol	Petersen, B.	Vogel
Banaian	Downey	Howes	McDonald	Quam	Ward
Barrett	Drazkowski	Kath	McElfatrick	Rukavina	Wardlow
Beard	Eken	Kieffer	McFarlane	Runbeck	Westrom
Benson, M.	Erickson	Kiel	McNamara	Sanders	Winkler
Bills	Fabian	Kiffmeyer	Melin	Schomacker	Woodard
Buesgens	Franson	Kriesel	Morrow	Scott	Spk. Zellers
Cornish	Garofalo	Lanning	Murdock	Shimanski	
Crawford	Gottwalt	Leidiger	Murray	Simon	

Those who voted in the negative were:

Benson, J.	Gauthier	Hortman	Lenczewski	Mullery	Scalze
Brynaert	Greiling	Hosch	Liebling	Murphy, E.	Slawik
Carlson	Hansen	Huntley	Lillie	Murphy, M.	Slocum
Champion	Hausman	Johnson	Loeffler	Paymar	Tillberry
Davnie	Hilstrom	Kahn	Mahoney	Pelowski	Wagenius
Falk	Hilty	Knuth	Mariani	Persell	
Fritz	Hornstein	Laine	Moran	Poppe	

The bill was passed and its title agreed to.

#### ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1717:

LeMieur, Peppin and Hosch.

#### REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Dean from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Monday, April 23, 2012:

H. F. No. 2795; S. F. No. 1933; H. F. No. 2379; S. F. No. 1694; and H. F. No. 1975.

#### CALENDAR FOR THE DAY

S. F. No. 1694 was reported to the House.

Kriesel, Winkler and Atkins moved to amend S. F. No. 1694, the second engrossment, as follows:

Page 3, after line 21, insert:

"(d) This section does not preempt a town or home rule charter or statutory city from enacting and enforcing ordinances under the city charter or chapters 365, 368, 412 or 462, that regulate the conditions of use for aerial and audible devices and display fireworks. An ordinance to regulate use must be reasonable and must not prohibit all use in the jurisdiction, except as provided in paragraph (f)."

Page 3, line 22, delete "(d)" and insert "(e)"

Page 3, line 24, after "412" insert "and paragraph (d)" and after the period, insert "If a home rule charter or statutory city or town has enacted an ordinance, rule, or regulation under paragraph (d), that ordinance, rule, or regulation prevails within the city or town."

Page 3, after line 24, insert "(f) Aerial and audible devices may only be sold or used in the state from June 1 to July 7 of any year."

Correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1694, A bill for an act relating to public safety; regulating the manufacture, sale, and use of fireworks; amending Minnesota Statutes 2010, section 624.20, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 77 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean	Gunther	Leidiger	Myhra	Shimanski
Anderson, D.	Dill	Hackbarth	LeMieur	Nornes	Simon
Anderson, P.	Dittrich	Hamilton	Lesch	O'Driscoll	Smith
Anderson, S.	Doepke	Hancock	Lohmer	Pelowski	Stensrud
Anzelc	Downey	Hoppe	Mack	Peppin	Swedzinski
Banaian	Drazkowski	Hosch	Marquart	Persell	Torkelson
Barrett	Eken	Howes	Mazorol	Petersen, B.	Urdahl
Bills	Erickson	Kath	McDonald	Poppe	Vogel
Buesgens	Fabian	Kieffer	McFarlane	Rukavina	Wardlow
Cornish	Falk	Kiel	McNamara	Runbeck	Westrom
Crawford	Franson	Kiffmeyer	Melin	Sanders	Woodard
Daudt	Garofalo	Kriesel	Murdock	Schomacker	Spk. Zellers
Dauids	Gottwalt	Lanning	Murray	Scott	

Those who voted in the negative were:

Anderson, B.	Fritz	Hornstein	Lillie	Murphy, E.	Thissen
Atkins	Gauthier	Hortman	Loeffler	Murphy, M.	Tillberry
Benson, J.	Greiling	Huntley	Loon	Nelson	Wagenius
Benson, M.	Gruenhagen	Johnson	Mahoney	Norton	Ward
Brynaert	Hansen	Kahn	Mariani	Paymar	Winkler
Carlson	Hausman	Knuth	McElfatrick	Quam	
Champion	Hilstrom	Laine	Moran	Scalze	
Davnie	Hilty	Lenczewski	Morrow	Slawik	
Dettmer	Holberg	Liebling	Mullery	Slocum	

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

Dean moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

#### FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Holberg announced her intention to place H. F. No. 1284; S. F. Nos. 230 and 1808; H. F. Nos. 418, 2685, 2860 and 2967; S. F. No. 1597; and H. F. No. 1752 on the Fiscal Calendar for Tuesday, April 24, 2012.

#### MOTIONS AND RESOLUTIONS

Kriesel moved that the name of Lanning be added as an author on H. F. No. 1485. The motion prevailed.

Wardlow moved that the names of Beard, Doepke and Erickson be added as authors on H. F. No. 1566. The motion prevailed.

Beard moved that the name of Simon be added as an author on H. F. No. 2169. The motion prevailed.

Davnie moved that the name of Greene be added as an author on H. F. No. 3004. The motion prevailed.

Wardlow moved that the name of Bills be added as an author on H. F. No. 3009. The motion prevailed.

#### ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 10:00 a.m., Tuesday, April 24, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Tuesday, April 24, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

