

STATE OF MINNESOTA

# Journal of the House

EIGHTY-SEVENTH SESSION — 2012

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ONE HUNDRED TENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 26, 2012

The House of Representatives convened at 10:00 a.m. and was called to order by Speaker pro tempore Davids.

Prayer was offered by the Reverend Paul Rogers, Minneapolis, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Peterson, S., was excused.

Allen and Franson were excused until 11:35 a.m. Mazorol was excused until 11:40 a.m. Falk was excused until 11:45 a.m. Greene was excused until 12:00 noon. Kelly and Mack were excused until 7:00 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.

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**PETITIONS AND COMMUNICATIONS**

The following communication was received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

April 24, 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. 1976, Chapter No. 221, a bill which requires appointing authorities in the legislative, executive, and judicial branches to use the federal E-Verify program for all newly hired employees. It also requires the Commissioner of Management and Budget to conduct audits of executive branch appointing authorities to ensure their compliance.

The Immigration Reform and Control Act of 1986 requires all employers to assess and document identity and legal employability for all new hires by personally viewing official documents establishing an applicant's ability to work in the United States and completing an Employment Eligibility Verification Form. The federal government conducts periodic audits of employer records to ensure compliance with the Act. Minnesota's current process follows all federal mandates to ascertain identity and employability for all new hires.

This bill would require the State to use E-Verify to confirm an employee's eligibility to work in the United States, after the State has already completed the Employment Eligibility Verification Form. In December 2010, the federal Government Accounting Office assessed the accuracy and fraud challenges of the E-Verify system. GAO concluded that while there were improvements, there continue to be significant problems with fraud vulnerabilities and data accuracy. They also concluded that the errors disproportionately affect particular segments of the population.

Additionally, I am aware that there is a broad group of opponents to the program, including the Minnesota Chamber of Commerce, who have voiced their concerns in committee hearings. They have stated their preference for a federal approach to immigration reform.

Requiring use of the E-Verify system would result in an inefficient and duplicative process, which could create appearances of unfair treatment and, thereby, cause an increase in employment litigation. I also believe that requiring the use of E-Verify in the State's hiring process would decrease our ability to provide fair and legal scrutiny of employability for applicants, as we do now.

For those reasons, I am vetoing this legislation.

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. 2172, A bill for an act relating to appropriations; eliminating the transfer of funds from the construction code fund to the general fund; amending Laws 2007, chapter 135, article 1, section 16.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 326B.148, subdivision 1, is amended to read:

Subdivision 1. **Computation.** To defray the costs of administering sections 326B.101 to 326B.194, a surcharge is imposed on all permits issued by municipalities in connection with the construction of or addition or alteration to buildings and equipment or appurtenances after June 30, 1971. The commissioner may use any surplus in surcharge receipts to award grants for code research and development and education.

If the fee for the permit issued is fixed in amount the surcharge is equivalent to one-half mill (.0005) of the fee or ~~50 cents~~ \$1, except that effective July 1, 2010, until June 30, ~~2013~~ 2015, the permit surcharge is equivalent to one-half mill (.0005) of the fee or \$5, whichever amount is greater. For all other permits, the surcharge is as follows:

(1) if the valuation of the structure, addition, or alteration is \$1,000,000 or less, the surcharge is equivalent to one-half mill (.0005) of the valuation of the structure, addition, or alteration;

(2) if the valuation is greater than \$1,000,000, the surcharge is \$500 plus two-fifths mill (.0004) of the value between \$1,000,000 and \$2,000,000;

(3) if the valuation is greater than \$2,000,000, the surcharge is \$900 plus three-tenths mill (.0003) of the value between \$2,000,000 and \$3,000,000;

(4) if the valuation is greater than \$3,000,000, the surcharge is \$1,200 plus one-fifth mill (.0002) of the value between \$3,000,000 and \$4,000,000;

(5) if the valuation is greater than \$4,000,000, the surcharge is \$1,400 plus one-tenth mill (.0001) of the value between \$4,000,000 and \$5,000,000; and

(6) if the valuation exceeds \$5,000,000, the surcharge is \$1,500 plus one-twentieth mill (.00005) of the value that exceeds \$5,000,000.

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

Page 1, line 6, delete "Section 1." and insert "Sec. 2."

Page 1, line 12, delete "2013" and insert "2015"

Page 1, line 22, delete "July 1, 2013" and insert "the day following final enactment"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying surcharges;"

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. 201, A bill for an act relating to crimes; defining gross negligence in the criminal vehicular operation law; amending Minnesota Statutes 2010, section 609.21, subdivision 5, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 169.13, is amended by adding a subdivision to read:

Subd. 2a. Careless driving resulting in death. (a) A person who drives, operates, or halts a vehicle, anywhere in this state, carelessly or heedlessly in disregard of the rights of others or in a manner that endangers or is likely to endanger any property or any person, including any driver or passenger of a vehicle or other person, that results in the death of a person, is guilty of a gross misdemeanor.

(b) Nothing in this subdivision or section 609.035 limits the power of the state to punish a person for conduct that constitutes a crime under any other law of this state.

**EFFECTIVE DATE.** This section is effective August 1, 2012, and applies to violations committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crimes; providing that careless driving resulting in death is a gross misdemeanor; amending Minnesota Statutes 2010, section 169.13, by adding a subdivision."

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. 1653, A bill for an act relating to labor and industry; clarifying employee classification of independent contractors; providing pilot project for contractor registration; providing for penalties; amending Minnesota Statutes 2010, sections 181.723, subdivisions 1, 3, 4, 7, 15, 16, by adding subdivisions; 289A.31, subdivision 5; 299F.011, by adding a subdivision; 326B.081, subdivision 3; 326B.809; Minnesota Statutes 2011 Supplement, section

181.723, subdivision 5; repealing Minnesota Statutes 2010, sections 181.723, subdivisions 6, 8, 9, 10, 11, 12, 14, 17; 290.92, subdivision 31; Minnesota Rules, parts 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; 5202.0160.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 181.723, subdivision 1, is amended to read:

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

(a) "Person" means any individual, limited liability ~~corporation~~ company, limited liability partnership, corporation, partnership, incorporated or unincorporated association, sole proprietorship, joint stock company, or any other legal or commercial entity.

(b) "Department" means the Department of Labor and Industry.

(c) "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or person working under contract with the Department of Labor and Industry.

(d) "Individual" means a human being.

(e) "Day" means calendar day unless otherwise provided.

(f) "Knowingly" means knew or could have known with the exercise of reasonable diligence.

(g) "Document" or "documents" includes papers; books; records; memoranda; data; contracts; drawings; graphs; charts; photographs; digital, video, and audio recordings; records; accounts; files; statements; letters; e-mails; invoices; bills; notes; and calendars maintained in any form or manner.

(h) "Business entity" means a person other than an individual or a sole proprietor.

Sec. 2. Minnesota Statutes 2010, section 181.723, subdivision 3, is amended to read:

Subd. 3. **Employee-employer relationship.** Except as provided in subdivision 4, for purposes of chapters 176, 177, 181A, 182, and 268, as of January 1, ~~2009~~ 2013, an individual who performs services for a person that are in the course of the person's trade, business, profession, or occupation is an employee of that person and that person is an employer of the individual.

Sec. 3. Minnesota Statutes 2010, section 181.723, subdivision 4, is amended to read:

Subd. 4. **Independent contractor.** (a) An individual is an independent contractor and not an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation only if (1) the individual holds a current independent contractor exemption certificate issued by the commissioner; and (2) the individual is performing services for the person under the independent contractor exemption certificate as provided in subdivision 6. The requirements in clauses (1) and (2) must be met in order to qualify as an independent contractor and not as an employee of the person for whom the individual is performing services in the course of the person's trade, business, profession, or occupation. the individual is registered with the Department of Labor and Industry, if required under subdivision 4a, and the individual:

(1) maintains a separate business with the worker's own office, equipment, materials, and other facilities;

(2)(i) holds or has applied for a federal employer identification number or (ii) has filed business or self-employment income tax returns with the federal Internal Revenue Service if the worker has performed services in the previous year;

(3) is operating under contract to perform the specific services for the person for specific amounts of money and under which the worker controls the means of performing the services;

(4) is incurring the main expenses related to the services that the worker is performing for the person under the contract;

(5) is responsible for the satisfactory completion of the services that the worker has contracted to perform for the person and is liable for a failure to complete the services;

(6) receives compensation from the person for the services performed under the contract on a commission or per-job or competitive bid basis and not on any other basis;

(7) may realize a profit or suffer a loss under the contract to perform services for the person;

(8) has continuing or recurring business liabilities or obligations; and

(9) the success or failure of the worker's business depends on the relationship of business receipts to expenditures.

(b) If a worker is an owner or partial owner of a business entity, the worker is an employee of the person for whom the worker is performing services in the course of the person's trade, business, profession, or occupation, and is not an employee of the business entity in which the worker has an ownership interest, unless:

(1) the business entity meets the nine factors in paragraph (a);

(2) invoices are submitted in the name of the business entity;

(3) the business entity is registered with the secretary of state, if required; and

(4) the business entity is registered with the Department of Labor and Industry, if required under subdivision 4a.

Sec. 4. Minnesota Statutes 2010, section 181.723, is amended by adding a subdivision to read:

**Subd. 4a. Registration pilot project.** (a) The commissioner shall implement a pilot project, effective July 1, 2012, for the registration of persons who perform public or private sector commercial or residential building construction or improvement services as described in subdivision 2. The purpose of the pilot project is to evaluate whether the information obtained through registration assists the Department of Labor and Industry, the Department of Employment and Economic Development, and the Department of Revenue to enforce laws related to misclassification of employees. The commissioner shall issue a report to the legislature no later than January 1, 2014, on recommendations for amendments to the registration program, including reasonable registration fees to be used to aid in enforcing misclassification laws. The commissioner must not charge a fee for registration under the pilot project, but may take the enforcement action specified in subdivision 8a. The pilot project shall expire on June 30, 2014, unless extended by the legislature.

(b) Except as provided in paragraph (c), any person who performs construction services in the state on or after September 15, 2012, must register with the commissioner as provided in subdivision 5 before performing construction services for another person. The requirements for registration under this subdivision are not a substitute for, and do not relieve a person from complying with, any other law requiring that the person be licensed, registered, or certified.

(c) The registration requirements in this subdivision do not apply to:

(1) a person who, at the time the person is performing the construction services, holds a current license, certificate, or registration under chapter 299M or 326B;

(2) a person who holds a current independent contractor exemption certificate issued under this section that is in effect on September 15, 2012, except that the person must register under this section no later than the date the exemption certificate expires, is revoked, or is canceled;

(3) a person who has given a bond to the state under section 326B.197 or 326B.46;

(4) an employee of the person performing the construction services, if the person was in compliance with laws related to employment of the individual at the time the construction services were performed;

(5) an architect or professional engineer engaging in professional practice as defined in section 326.02, subdivisions 2 and 3;

(6) a school district or technical college governed under chapter 136F; or

(7) a person providing construction services on a volunteer basis, including but not limited to Habitat for Humanity and Builders Outreach Foundation, and their individual volunteers when engaged in activities on their behalf.

Sec. 5. Minnesota Statutes 2011 Supplement, section 181.723, subdivision 5, is amended to read:

Subd. 5. **Registration application.** ~~To obtain an independent contractor exemption certificate, the individual must submit~~ (a) Persons required to register under subdivision 4a must submit electronically, in the manner prescribed by the commissioner, a complete application and the certificate fee required under subdivision 14 according to paragraphs (b) to (d) .

~~(a)~~ (b) A complete application must include all of the following information about any individual who is registering as an individual or a sole proprietor, or who owns 25 percent or more of a business entity being registered:

(1) the individual's full legal name and title at applicant's business;

(2) the individual's ~~residence~~ business address and telephone number;

(3) the individual's ~~business name, address, and telephone number;~~ percentage of the applicant's business owned by the individual; and

~~(4) the services for which the individual is seeking an independent contractor exemption certificate;~~

~~(5)~~ (4) the individual's Social Security number; 2

~~(6) the individual's or the individual's business federal employer identification number, if a number has been issued to the individual or the individual's business;~~

~~(7) any information or documentation that the commissioner requires by rule that will assist the department in determining whether to grant or deny the individual's application; and~~

~~(8) the individual's sworn statement that the individual meets all of the following conditions:~~

~~(i) maintains a separate business with the individual's own office, equipment, materials, and other facilities;~~

~~(ii) holds or has applied for a federal employer identification number or has filed business or self-employment income tax returns with the federal Internal Revenue Service if the person has performed services in the previous year for which the individual is seeking the independent contractor exemption certificate;~~

~~(iii) operates under contracts to perform specific services for specific amounts of money and under which the individual controls the means of performing the services;~~

~~(iv) incurs the main expenses related to the service that the individual performs under contract;~~

~~(v) is responsible for the satisfactory completion of services that the individual contracts to perform and is liable for a failure to complete the service;~~

~~(vi) receives compensation for service performed under a contract on a commission or per job or competitive bid basis and not on any other basis;~~

~~(vii) may realize a profit or suffer a loss under contracts to perform service;~~

~~(viii) has continuing or recurring business liabilities or obligations; and~~

~~(ix) the success or failure of the individual's business depends on the relationship of business receipts to expenditures.~~

~~(b) Individuals who are applying for or renewing a residential building contractor or residential remodeler license under sections 326B.197, 326B.802, 326B.805, 326B.81, 326B.815, 326B.821 to 326B.86, 326B.87 to 326B.885, and 327B.041, and any rules promulgated pursuant thereto, may simultaneously apply for or renew an independent contractor exemption certificate. The commissioner shall create an application form that allows for the simultaneous application for both a residential building contractor or residential remodeler license and an independent contractor exemption certificate. If individuals simultaneously apply for or renew a residential building contractor or residential remodeler license and an independent contractor exemption certificate using the form created by the commissioner, individuals shall only be required to provide, in addition to the information required by section 326B.83 and rules promulgated pursuant thereto, the sworn statement required by paragraph (a), clause (8), and any additional information required by this subdivision that is not also required by section 326B.83 and any rules promulgated thereto. An independent contractor exemption certificate that is in effect before March 1, 2009, shall remain in effect until March 1, 2013, unless revoked by the commissioner or canceled by the individual.~~

~~(c) Within 30 days of receiving a complete application and the certificate fee, the commissioner must either grant or deny the application. The commissioner may deny an application for an independent contractor exemption certificate if the individual has not submitted a complete application and certificate fee or if the individual does not meet all of the conditions for holding the independent contractor exemption certificate. The commissioner may revoke an independent contractor exemption certificate if the commissioner determines that the individual no longer~~

~~meets all of the conditions for holding the independent contractor exemption certificate, commits any of the actions set out in subdivision 7, or fails to cooperate with a department investigation into the continued validity of the individual's certificate. Once issued, an independent contractor exemption certificate remains in effect for four years unless:~~

~~(1) revoked by the commissioner; or~~

~~(2) canceled by the individual.~~

~~(d) If the department denies an individual's original or renewal application for an independent contractor exemption certificate or revokes an independent contractor exemption certificate, the commissioner shall issue to the individual an order denying or revoking the certificate. The commissioner may issue an administrative penalty order to an individual or person who commits any of the actions set out in subdivision 7. The commissioner may file and enforce the unpaid portion of a penalty as a judgment in district court without further notice or additional proceedings.~~

~~(e) An individual or person to whom the commissioner issues an order under paragraph (d) shall have 30 days after service of the order to request a hearing. The request for hearing must be in writing and must be served on or faxed to the commissioner at the address or facsimile number specified in the order by the 30th day after service of the order. If the individual does not request a hearing or if the individual's request for a hearing is not served on or faxed to the commissioner by the 30th day after service of the order, the order shall become a final order of the commissioner and will not be subject to review by any court or agency. The date on which a request for hearing is served by mail shall be the postmark date on the envelope in which the request for hearing is mailed. If the individual serves or faxes a timely request for hearing, the hearing shall be a contested case hearing and shall be held in accordance with chapter 14.~~

(c) A complete application must also include the following information:

(1) the applicant's legal name; assumed name filed with the secretary of state, if any; designated business address; physical address; telephone number; and e-mail address;

(2) the applicant's Minnesota tax identification number, if one is required or has been issued;

(3) the applicant's federal employer identification number, if one is required or has been issued;

(4) evidence of the active status of the applicant's business filings with the secretary of state, if one is required or has been issued;

(5) whether the applicant has any employees at the time the application is filed;

(6) the names of all other persons with an ownership interest in the business entity who are not identified in paragraph (b), and the percentage of the interest owned by each person, except that the names of shareholders with less than ten percent ownership in a publicly traded corporation need not be provided;

(7) information documenting compliance with workers' compensation and unemployment insurance laws;

(8) a certification that the person signing the application has: reviewed it; determined that the information provided is true and accurate; and determined that the person signing is authorized to sign and file the application as an agent of the applicant. The name of the person signing, entered on an electronic application, shall constitute a valid signature of the agent on behalf of the applicant; and

(9) a signed authorization for the Department of Labor and Industry to verify the information provided on or with the application.

(d) A registered person must notify the commissioner within 15 days after there is a change in any of the information on the application as approved. This notification must be provided electronically in the manner prescribed by the commissioner. However, if the business entity structure, legal form of the business entity, or business ownership has changed, the person must submit a new registration application and registration fee, if any, for the new business entity.

(e) The registered person must remain registered while providing construction services for another person. The provisions of sections 326B.091 and 326B.094 to 326B.097 apply to this section.

Sec. 6. Minnesota Statutes 2010, section 181.723, is amended by adding a subdivision to read:

Subd. 5a. **Web site.** (a) The commissioner shall develop and maintain a Web site on which applicants for registration can submit a registration application. The Web site shall be designed to receive and process registration applications and promptly issue registration certificates electronically to successful applicants.

(b) The commissioner shall maintain the certificates of registration on the department's official public Web site, which shall include the following information:

- (1) the registered person's legal business name, including any assumed name, as filed with the secretary of state;
- (2) the person's business address designated on the application; and
- (3) the effective date of the registration and the expiration date.

Sec. 7. Minnesota Statutes 2010, section 181.723, subdivision 7, is amended to read:

Subd. 7. **Prohibited activities.** (a) The prohibited activities in this subdivision are in addition to those prohibited in sections 326B.081 to 326B.085.

~~(a)~~ (b) An individual shall not:

~~(1) perform work as an independent contractor who meets the qualifications under subdivision 6 without first obtaining from the department an independent contractor exemption certificate;~~

~~(2) perform work as an independent contractor when the department has denied or revoked the individual's independent contractor exemption certificate;~~

~~(3) transfer to another individual or allow another individual to use the individual's independent contractor exemption certificate;~~

~~(4) alter or falsify an independent contractor exemption certificate;~~

~~(5) misrepresent the individual's status as an independent contractor; or~~

~~(6) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section. hold himself or herself out as an independent contractor unless the individual meets the requirements of subdivision 4.~~

~~(b)~~ (c) A person who provides construction services in the course of the person's trade, business, occupation, or profession shall not:

(1) require an individual through coercion, misrepresentation, or fraudulent means to adopt independent contractor status or form a business entity;

(2) knowingly misrepresent ~~that an individual who has not been issued~~ or misclassify a worker as an independent contractor exemption certificate or is not performing services for the person under an independent contractor exemption certificate is an independent contractor; or

(3) contract with or perform construction services for another person without first being registered if required by subdivision 4a;

~~(4) make a false material statement, representation, or certification; omit material information; or alter, conceal, or fail to file a document required by this section or any rule promulgated by the commissioner under rulemaking authority set out in this section; contract with or pay another person to perform construction services if the other person is not registered if required by subdivision 4a. All payments to an unregistered person for construction services on a single project site shall be considered a single violation. It is not a violation of this clause:~~

~~(i) for a person to contract with or pay an unregistered person if the unregistered person was registered at the time the contract for construction services was entered into; or~~

~~(ii) for a homeowner or business to contract with or pay an unregistered person if the homeowner or business is not in the trade, business, profession, or occupation of performing building construction or improvement services; or~~

~~(5) be penalized for violations of this subdivision that are committed by another person. This clause applies only to violations of this paragraph.~~

~~(c) A person for whom an individual is performing services must obtain a copy of the individual's independent contractor exemption certificate before services may commence. A copy of the independent contractor exemption certificate must be retained for five years from the date of receipt by the person for whom an individual is performing services.~~

Sec. 8. Minnesota Statutes 2010, section 181.723, is amended by adding a subdivision to read:

Subd. 8a. **Enforcement; remedies; and penalties.** Notwithstanding the maximum penalty amount in section 326B.082, subdivisions 7 and 12, the maximum penalty for failure to register is \$2,000, but the commissioner shall forgive the penalty if the person registers within 30 days of the date of the penalty order.

Sec. 9. Minnesota Statutes 2010, section 181.723, subdivision 15, is amended to read:

**Subd. 15. Notice to commissioner; review by commissioner of revenue.** When the commissioner has reason to believe that ~~an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate~~ a person has violated subdivision 7, paragraph (b); or (c), clause (1) or (2), the commissioner must notify the commissioner of revenue and the commissioner of employment and economic development. Upon receipt of notification from the commissioner ~~that an individual who holds a certificate has failed to maintain all the conditions required by subdivision 6 or is not performing services for a person under the independent contractor exemption certificate,~~ the commissioner of revenue must review the information returns required under section 6041A of the Internal Revenue Code. The commissioner of revenue shall also review the submitted certification that is applicable to returns audited or investigated under section 289A.35.

Sec. 10. Minnesota Statutes 2010, section 181.723, subdivision 16, is amended to read:

Subd. 16. **Data classified.** Data in applications ~~for an independent contractor exemption certificate~~ and any required documentation submitted to the commissioner under this section are private data on individuals or nonpublic data as defined in section 13.02. Data in exemption registration certificates issued by the commissioner are public data; except that registration information published on the department's Web site may be accessed for registration verification purposes only. Data that document a revocation or cancellation of ~~an exemption~~ a certificate are public data. Upon request of the Department of Revenue or the Department of Employment and Economic Development, the commissioner may release to the requesting department data classified as private or nonpublic under this subdivision or investigative data that are not public under section 13.39 that relate to the issuance or denial of applications or revocations of certificates.

Sec. 11. Minnesota Statutes 2010, section 326B.081, subdivision 3, is amended to read:

Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.723, 327.31 to 327.36, and this chapter, and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted, issued, or enforced by the department under sections 181.723, 327.31 to 327.36, or this chapter.

Sec. 12. **REPEALER.**

(a) Minnesota Statutes 2010, section 181.723, subdivision 17, is repealed effective May 15, 2011.

(b) Minnesota Statutes 2010, section 181.723, subdivisions 6, 8, 9, 10, 11, 12, and 14, and Minnesota Rules, parts 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; and 5202.0160, are repealed July 1, 2012, except they shall remain in effect for the regulation of an individual holding an independent contractor exemption certificate issued before July 1, 2012, under Minnesota Statutes 2010, section 181.723, subdivision 5, until the exemption certificate expires, is revoked, or is canceled.

Sec. 13. **EFFECTIVE DATE.**

Sections 1 to 11 are effective July 1, 2012, except that those sections do not apply to the regulation of an individual who holds an independent contractor exemption certificate issued before July 1, 2012, under Minnesota Statutes 2010, section 181.723, subdivision 5, until the exemption certificate expires, or is revoked or canceled."

Delete the title and insert:

"A bill for an act relating to labor and industry; clarifying employee classification of independent contractors; providing pilot project for contractor registration; providing for penalties; amending Minnesota Statutes 2010, sections 181.723, subdivisions 1, 3, 4, 7, 15, 16, by adding subdivisions; 326B.081, subdivision 3; Minnesota Statutes 2011 Supplement, section 181.723, subdivision 5; repealing Minnesota Statutes 2010, section 181.723, subdivisions 6, 8, 9, 10, 11, 12, 14, 17; Minnesota Rules, parts 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; 5202.0160."

With the recommendation that when so amended the bill pass.

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. No. 2172 was read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. Nos. 201 and 1653 were read for the second time.

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 Speaker pro tempore Davids.

Lenczewski was excused between the hours of 11:25 a.m. and 11:55 a.m.

Mariani was excused between the hours of 11:25 a.m. and 11:55 a.m.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2171, A bill for an act relating to natural resources; modifying game and fish license provisions; providing for taking wolf; modifying requirements to take and transport wild animals; modifying department authority and duties; creating walk-in access program; modifying predator control program; modifying deer baiting restrictions; modifying authority to remove beavers; providing for disposition of certain receipts; eliminating venison donation program; modifying snowmobile registration and trail sticker requirements; modifying snowmobile operation provisions; modifying watercraft license fees; modifying shooting range provisions; modifying temporary drawdown of public waters provisions; modifying 2012 fishing opener date; requiring rulemaking; providing civil penalties; appropriating money; amending Minnesota Statutes 2010, sections 84.027, subdivisions 14, 15; 84.82, subdivisions 2, 3; 84.8205, subdivision 1; 84.83, subdivisions 2, 3; 84.86, subdivision 1; 84.8712, subdivision 1; 86B.301, subdivision 2; 86B.415, subdivisions 1, 2, by adding a subdivision; 87A.01, subdivision 4; 87A.02, subdivision 2; 97A.015, subdivisions 3a, 53; 97A.065, subdivision 6; 97A.085, by adding a

subdivision; 97A.095, subdivisions 1, 2; 97A.137, subdivision 5; 97A.405, subdivision 4, by adding a subdivision; 97A.421, subdivision 3; 97A.441, subdivision 7; 97A.451, subdivisions 3, 4, by adding a subdivision; 97A.473, subdivisions 3, 5, 5a; 97A.475, subdivisions 2, 3, 3a, 4, 20, 44; 97A.482; 97B.001, subdivision 7; 97B.031, subdivisions 1, 2; 97B.035, subdivision 1a; 97B.071; 97B.085, subdivision 3; 97B.328; 97B.601, subdivisions 3a, 4; 97B.603; 97B.605; 97B.671, subdivisions 3, 4; 97B.711, subdivision 1; 97B.805, subdivision 1; 97B.901; 97C.355, subdivision 1, by adding a subdivision; 97C.395, subdivision 1; 97C.515, subdivisions 2, 4, 5; 103G.005, by adding a subdivision; 103G.408; Minnesota Statutes 2011 Supplement, sections 97A.075, subdivision 1, by adding a subdivision; 97B.075; 97B.645, subdivision 9; 97B.667; proposing coding for new law in Minnesota Statutes, chapters 31; 87A; 97A; 97B; repealing Minnesota Statutes 2010, sections 17.035; 17.4993, subdivision 2; 87A.02, subdivision 1; 97A.045, subdivisions 8, 13; 97A.065, subdivision 1; 97A.095, subdivision 3; 97A.331, subdivision 7; 97A.485, subdivision 12; 97A.552; 97B.303; 97B.645, subdivision 2; 97C.031.

The Senate has appointed as such committee:

Senators Ingebrigtsen, Gazelka, Carlson, Dziedzic and Miller.

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:

H. F. No. 2244, A bill for an act relating to the permanent school fund; changing the Permanent School Fund Advisory Committee into a legislative commission; establishing a permanent school fund board; granting the board authority to employ a director to oversee, manage, and administer school trust lands; amending Minnesota Statutes 2010, sections 16A.06, subdivision 11; 16A.125, subdivision 5; 84.027, subdivision 18; 84.085, subdivision 1; 92.12, subdivision 1; 92.121; 92.13; 93.2236; 94.342, subdivision 5; 127A.30; 477A.11, subdivisions 3, 4, by adding a subdivision; 477A.12, subdivisions 2, 3; Minnesota Statutes 2011 Supplement, section 477A.12, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 127A.

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 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. 2341, A bill for an act relating to health; requiring a prescribing physician be physically present when certain abortion-inducing drugs are administered; providing for criminal penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

CAL R. LUDEMAN, Secretary of the Senate

## CONCURRENCE AND REPASSAGE

Peppin moved that the House concur in the Senate amendments to H. F. No. 2341 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2341, A bill for an act relating to health; requiring a prescribing physician be physically present when certain abortion-inducing drugs are administered; proposing coding for new law in Minnesota Statutes, chapter 145.

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 76 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Abeler	Daudt	Gruenhagen	Kriesel	Murray	Smith
Anderson, B.	Davids	Gunther	Lanning	Myhra	Stensrud
Anderson, D.	Dean	Hackbarth	Leidiger	Nornes	Swedzinski
Anderson, P.	Dettmer	Hamilton	LeMieur	O'Driscoll	Torkelson
Anderson, S.	Doepke	Hancock	Lohmer	Pelowski	Urdahl
Banaian	Downey	Holberg	Loon	Peppin	Vogel
Barrett	Drazkowski	Hoppe	Marquart	Petersen, B.	Ward
Beard	Eken	Hosch	McDonald	Quam	Wardlow
Benson, M.	Erickson	Howes	McElpatrick	Runbeck	Westrom
Bills	Fabian	Kath	McFarlane	Sanders	Woodard
Buesgens	Fritz	Kieffer	McNamara	Schomacker	Spk. Zellers
Cornish	Garofalo	Kiel	Murdock	Scott	
Crawford	Gottwalt	Kiffmeyer	Murphy, M.	Shimanski	

Those who voted in the negative were:

Anzelc	Dill	Hornstein	Liebling	Murphy, E.	Simon
Atkins	Dittrich	Hortman	Lillie	Nelson	Slawik
Benson, J.	Gauthier	Huntley	Loeffler	Norton	Slocum
Brynaert	Greiling	Johnson	Mahoney	Paymar	Thissen
Carlson	Hansen	Kahn	Melin	Persell	Tillberry
Champion	Hausman	Knuth	Moran	Poppe	Wagenius
Clark	Hilstrom	Laine	Morrow	Rukavina	Winkler
Davnie	Hilty	Lesch	Mullery	Scalze	

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 House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 2627, A bill for an act relating to human services; changing a requirement for electronic claims and electronic transactions; making changes to health care and disability services provisions; providing for a supplemental agreement to a contract for community social services; making changes to family stabilization services

provisions; requiring procedures to establish a reciprocal child support agreement with Bermuda; changing provisions for the public pool exemption; amending Minnesota Statutes 2010, sections 62J.497, subdivision 2; 62J.536, subdivision 1; 256.0112, by adding a subdivision; 256.962, by adding a subdivision; 256J.575, subdivisions 1, 2, 5, 6, 8; Minnesota Statutes 2011 Supplement, sections 144.1222, subdivision 5; 256B.0911, subdivision 3a; 256B.0915, subdivisions 3e, 3h.

CAL R. LUDEMAN, Secretary of the Senate

### CONCURRENCE AND REPASSAGE

Gottwalt moved that the House concur in the Senate amendments to H. F. No. 2627 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2627, A bill for an act relating to human services; changing a requirement for electronic claims and electronic transactions; making changes to health care and disability services provisions; providing for a supplemental agreement to a contract for community social services; making changes to family stabilization services provisions; requiring procedures to establish a reciprocal child support agreement with Bermuda; changing provisions for the public pool exemption; amending Minnesota Statutes 2010, sections 62J.497, subdivision 2; 62J.536, subdivision 1; 256.0112, by adding a subdivision; 256.962, by adding a subdivision; 256J.575, subdivisions 1, 2, 5, 6, 8; Minnesota Statutes 2011 Supplement, sections 144.1222, subdivision 5; 256B.0911, subdivision 3a; 256B.0915, subdivisions 3e, 3h.

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 123 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Liebling

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. No. 1607

A bill for an act relating to the State Capitol; authorizing the State Patrol to provide security and protection to certain government officials; establishing a committee on capitol complex security; amending Minnesota Statutes 2010, section 299D.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299E.

April 25, 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. 1607 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. 1607 be further amended as follows:

Page 3, line 4, after "party" insert ", appointed by the senate majority leader,"

Page 3, line 5, delete "Subcommittee on Committees of the Committee" and insert "senate minority leader;"

Page 3, delete line 6

Page 3, line 29, after the period, insert "The report shall include draft legislation to implement any recommended changes in law."

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

House Conferees: KELBY WOODARD, JOE McDONALD and DIANE LOEFFLER.

Senate Conferees: MICHELLE R. BENSON, ANN H. REST and LINDA HIGGINS.

Woodard moved that the report of the Conference Committee on H. F. No. 1607 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1607, A bill for an act relating to the State Capitol; authorizing the State Patrol to provide security and protection to certain government officials; establishing a committee on capitol complex security; amending Minnesota Statutes 2010, section 299D.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299E.

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 121 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Hilty	Peppin	Rukavina
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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. 2296.

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. 2296

A bill for an act relating to elections; modifying certificate on absentee ballot envelopes; amending Minnesota Statutes 2010, section 203B.21, subdivision 3.

April 24, 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. 2296 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2296 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 203B.21, subdivision 3, is amended to read:

Subd. 3. **Back of return envelope.** On the back of the return envelope a certificate shall appear with space for:

- (1) the voter's address of present or former residence in Minnesota;
- (2) the voter's current e-mail address, if the voter has one;
- (3) a statement indicating the category described in section 203B.16 to which the voter belongs;
- (4) a statement that the voter has not cast and will not cast another absentee ballot in the same election or elections;
- (5) a statement that the voter personally marked the ballots without showing them to anyone, or if physically unable to mark them, that the voter directed another individual to mark them; and
- (6) the same voter's passport number, Minnesota driver's license or state identification card number, or the last four digits of the voter's Social Security number as provided on the absentee ballot application; if the voter does not have access to any of these documents, the voter may attest to the truthfulness of the contents of the certificate under penalty of perjury.

The certificate shall also contain a signed ~~and dated~~ oath in the form required by section 705 of the Help America Vote Act, Public Law 107-252, which must read:

"I swear or affirm, under penalty of perjury, that:

I am a member of the uniformed services or merchant marine on active duty or an eligible spouse or dependent of such a member; a United States citizen temporarily residing outside the United States; or other United States citizen residing outside the United States; and I am a United States citizen, at least 18 years of age (or will be by the date of the election), and I am eligible to vote in the requested jurisdiction; I have not been convicted of a felony, or other disqualifying offense, or been adjudicated mentally incompetent, or, if so, my voting rights have been reinstated; and I am not registering, requesting a ballot, or voting in any other jurisdiction in the United States except

the jurisdiction cited in this voting form. In voting, I have marked and sealed my ballot in private and have not allowed any person to observe the marking of the ballot, except for those authorized to assist voters under state or federal law. I have not been influenced.

~~My signature and date below indicate when I completed this document.~~

The information on this form is true, accurate, and complete to the best of my knowledge. I understand that a material misstatement of fact in completion of this document may constitute grounds for a conviction for perjury. "

**EFFECTIVE DATE.** This section is effective June 29, 2012.

Sec. 2. Minnesota Statutes 2010, section 208.03, is amended to read:

**208.03 NOMINATION OF PRESIDENTIAL ELECTORS.**

Presidential electors for the major political parties of this state shall be nominated by delegate conventions called and held under the supervision of the respective state central committees of the parties of this state. At least ~~77~~ 71 days before the general election day the chair of the major political party shall certify to the secretary of state the names of the persons nominated as presidential electors, the names of eight alternate presidential electors, and the names of the party candidates for president and vice president. The chair shall also certify that the party candidates for president and vice president have no affidavit on file as a candidate for any office in this state at the ensuing general election.

Sec. 3. Minnesota Statutes 2010, section 211B.10, is amended by adding a subdivision to read:

Subd. 1a. **Prohibited activities of a political party.** A political party unit may not, through imposition or threatened imposition of any fine, sanction, or other penalty, attempt to coerce an individual who does not have the party unit's official endorsement as a means to prevent the individual from filing as a candidate for office.

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

Delete the title and insert:

"A bill for an act relating to elections; modifying certificate on absentee ballot envelopes; prohibiting certain activities of a political party; modifying presidential elector nomination procedures; amending Minnesota Statutes 2010, sections 203B.21, subdivision 3; 208.03; 211B.10, by adding a subdivision."

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

Senate Conferees: ROGER C. CHAMBERLAIN, PAM WOLF and TERRI E. BONOFF.

House Conferees: TIM SANDERS, KURT DAUDT and STEVE SIMON.

Sanders moved that the report of the Conference Committee on S. F. No. 2296 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2296, A bill for an act relating to elections; modifying certificate on absentee ballot envelopes; amending Minnesota Statutes 2010, section 203B.21, subdivision 3.

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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 2334.

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. 2334

A bill for an act relating to lobbying; modifying principal reports; amending Minnesota Statutes 2010, section 10A.04, subdivision 6.

April 24, 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. 2334 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments.

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

Senate Conferees: RAY VANDEVEER, WARREN LIMMER and KATIE SIEBEN.

House Conferees: JOYCE PEPPIN, MICHAEL BEARD and MICHAEL V. NELSON.

Peppin moved that the report of the Conference Committee on S. F. No. 2334 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2334, A bill for an act relating to lobbying; modifying principal reports; amending Minnesota Statutes 2010, section 10A.04, subdivision 6.

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 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Falk

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 Senate File, herewith transmitted:

S. F. No. 1761.

CAL R. LUDEMAN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 1761, A bill for an act relating to local government; authorizing the city of Sandstone and its economic development authority to sell a housing development.

The bill was read for the first time.

Crawford moved that S. F. No. 1761 and H. F. No. 2082, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

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 Speaker pro tempore Anderson, S.

Woodard was excused between the hours of 7:00 p.m. and 8:50 p.m.

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

Greene was excused between the hours of 7:15 p.m. and 7:40 p.m.

Huntley was excused between the hours of 7:15 p.m. and 7:55 p.m.

There being no objection, the order of business reverted to Messages from the Senate.

### **MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 2638, A bill for an act relating to insurance; regulating sale of portable electronics insurance; amending Minnesota Statutes 2010, section 60K.381.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2705, A bill for an act relating to commerce; regulating closing agents; exempting a licensed attorney and a direct employee of a licensed attorney from the licensing requirements for closing agents; amending Minnesota Statutes 2010, section 82.641, subdivision 6; Minnesota Statutes 2011 Supplement, section 82.641, subdivision 1.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 8, A bill for an act relating to human services; establishing the healthy Minnesota contribution program; requiring plan to redesign service delivery for lower-income MinnesotaCare enrollees; requiring the Minnesota Comprehensive Health Association to offer a high-deductible, basic plan; requiring the commissioner of human services to seek federal waivers; amending Minnesota Statutes 2010, sections 62E.08, subdivision 1; 62E.14, by adding a subdivision; 256B.04, subdivision 18; 256L.05, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62E; 256L.

The Senate has appointed as such committee:

Senators Hann, Benson and Newman.

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:

H. F. No. 1607, A bill for an act relating to the State Capitol; authorizing the State Patrol to provide security and protection to certain government officials; establishing a committee on capitol complex security; amending Minnesota Statutes 2010, section 299D.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 299E.

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 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. 1134, A bill for an act relating to insurance; regulating annuity products; enacting and modifying a model regulation adopted by the National Association of Insurance Commissioners relating to suitability in annuity transactions; amending Minnesota Statutes 2010, sections 60K.46, subdivision 4; 72A.20, subdivision 34; proposing coding for new law in Minnesota Statutes, chapter 72A.

CAL R. LUDEMAN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Hoppe moved that the House concur in the Senate amendments to H. F. No. 1134 and that the bill be repassed as amended by the Senate.

Hilstrom moved that the House refuse to concur in the Senate amendments to H. F. No. 1134, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion did not prevail.

The question recurred on the Hoppe motion that the House concur in the Senate amendments to H. F. No. 1134 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1134, A bill for an act relating to insurance; regulating annuity products; enacting and modifying a model regulation adopted by the National Association of Insurance Commissioners relating to suitability in annuity transactions; amending Minnesota Statutes 2010, sections 60K.46, subdivision 4; 60K.56, subdivision 5; 72A.20, subdivision 34; proposing coding for new law in Minnesota Statutes, chapter 72A.

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 110 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abeler	Benson, M.	Downey	Hancock	Kieffer	Loeffler
Allen	Bills	Drazkowski	Hansen	Kiel	Lohmer
Anderson, B.	Carlson	Eken	Hausman	Kiffmeyer	Loon
Anderson, D.	Cornish	Erickson	Holberg	Knuth	Mack
Anderson, P.	Crawford	Fabian	Hoppe	Kriesel	Mahoney
Anderson, S.	Daudt	Franson	Hornstein	Lanning	Marquart
Anzelc	Davids	Fritz	Hosch	Leidiger	Mazorol
Atkins	Dean	Garofalo	Howes	LeMieur	McDonald
Banaian	Dettmer	Gruenhagen	Johnson	Lenczewski	McElpatrick
Barrett	Dill	Gunther	Kahn	Lesch	McFarlane
Beard	Dittrich	Hackbarth	Kath	Liebling	McNamara
Benson, J.	Doepke	Hamilton	Kelly	Lillie	Melin

Morrow	Nornes	Rukavina	Simon	Tillberry	Westrom
Murdock	O'Driscoll	Runbeck	Slawik	Torkelson	Winkler
Murphy, E.	Paymar	Sanders	Slocum	Urdahl	Spk. Zellers
Murphy, M.	Pelowski	Scalze	Smith	Vogel	
Murray	Peppin	Schomacker	Stensrud	Wagenius	
Myhra	Poppe	Scott	Swedzinski	Ward	
Nelson	Quam	Shimanski	Thissen	Wardlow	

Those who voted in the negative were:

Brynaert	Clark	Greiling	Hortman	Moran	Persell
Buesgens	Davnie	Hilstrom	Laine	Mullery	Petersen, B.
Champion	Falk	Hilty	Mariani	Norton	

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

Mr. Speaker:

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

S. F. No. 2324.

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. 2324

A bill for an act relating to occupational licensing; modifying electrical licenses; amending Minnesota Statutes 2010, sections 326B.31, subdivision 14, by adding subdivisions; 326B.33, subdivisions 17, 19, by adding a subdivision.

April 24, 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. 2324 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: JOHN C. PEDERSON, JEREMY R. MILLER and DAVID J. TOMASSONI.

House Conferees: TIM SANDERS, JOE HOPPE and MICHAEL V. NELSON.

Sanders moved that the report of the Conference Committee on S. F. No. 2324 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2324, A bill for an act relating to occupational licensing; modifying electrical licenses; amending Minnesota Statutes 2010, sections 326B.31, subdivision 14, by adding subdivisions; 326B.33, subdivisions 17, 19, by adding a subdivision.

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

The question was taken on the repassage of the bill and the roll was called. There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 946.

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. 946

A bill for an act relating to education; establishing a pilot project to examine how school districts might operate jointly to provide innovative delivery of programs and activities and share resources.

April 25, 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. 946 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendments and that S. F. No. 946 be further amended as follows:

Page 3, delete lines 3 and 4

Page 3, after line 6, insert:

"Sec. 2. **APPROPRIATION.**

\$25,000 is appropriated in fiscal year 2013 from the general fund to the commissioner of education for the review of applicants, selection of participants, and evaluation of the pilot projects authorized in section 1. The base for the Department of Education is increased by \$25,000 for fiscal year 2014 through fiscal year 2018."

Amend the title as follows:

Page 1, line 4, before the period, insert "; appropriating money"

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

Senate Conferees: AL D. DEKRUIF, GEN OLSON and SEAN NIENOW.

House Conferees: SONDRER ERICKSON, MARK BUESGENS and MINDY GREILING.

Erickson moved that the report of the Conference Committee on S. F. No. 946 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 946, A bill for an act relating to education; establishing a pilot project to examine how school districts might operate jointly to provide innovative delivery of programs and activities and share resources.

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 128 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Murphy, M.

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 Senate File, herewith transmitted:

S. F. No. 1895.

CAL R. LUDEMAN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 1895, A bill for an act relating to assumed names; providing for an exception from filing requirements; amending Minnesota Statutes 2010, section 333.01, by adding a subdivision.

The bill was read for the first time.

Simon moved that S. F. No. 1895 and H. F. No. 2450, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Wardlow moved that the House advance to the order of business Motions and Resolutions.

Hoppe 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.

Wardlow withdrew his motion that the House advance to the order of business Motions and Resolutions.

### FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of S. F. No. 230.

S. F. No. 230 was reported to the House.

Norton moved to amend S. F. No. 230, the second engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 462, the first engrossment:

"Section 1. **[148.2855] NURSE LICENSURE COMPACT.**

The Nurse Licensure Compact is enacted into law and entered into with all other jurisdictions legally joining in it, in the form substantially as follows:

#### ARTICLE 1 DEFINITIONS

As used in this compact:

(a) "Adverse action" means a home or remote state action.

(b) "Alternative program" means a voluntary, nondisciplinary monitoring program approved by a nurse licensing board.

(c) "Coordinated licensure information system" means an integrated process for collecting, storing, and sharing information on nurse licensure and enforcement activities related to nurse licensure laws, which is administered by a nonprofit organization composed of and controlled by state nurse licensing boards.

(d) "Current significant investigative information" means:

(1) investigative information that a licensing board, after a preliminary inquiry that includes notification and an opportunity for the nurse to respond if required by state law, has reason to believe is not groundless and, if proved true, would indicate more than a minor infraction; or

(2) investigative information that indicates that the nurse represents an immediate threat to public health and safety regardless of whether the nurse has been notified and had an opportunity to respond.

(e) "Home state" means the party state which is the nurse's primary state of residence.

(f) "Home state action" means any administrative, civil, equitable, or criminal action permitted by the home state's laws which are imposed on a nurse by the home state's licensing board or other authority including actions against an individual's license such as revocation, suspension, probation, or any other action which affects a nurse's authorization to practice.

(g) "Licensing board" means a party state's regulatory body responsible for issuing nurse licenses.

(h) "Multistate licensure privilege" means current, official authority from a remote state permitting the practice of nursing as either a registered nurse or a licensed practical/vocational nurse in the party state. All party states have the authority, according to existing state due process law, to take actions against the nurse's privilege such as revocation, suspension, probation, or any other action which affects a nurse's authorization to practice.

(i) "Nurse" means a registered nurse or licensed practical/vocational nurse as those terms are defined by each party state's practice laws.

(j) "Party state" means any state that has adopted this compact.

(k) "Remote state" means a party state other than the home state:

(1) where the patient is located at the time nursing care is provided; or

(2) in the case of the practice of nursing not involving a patient, in the party state where the recipient of nursing practice is located.

(l) "Remote state action" means:

(1) any administrative, civil, equitable, or criminal action permitted by a remote state's laws which are imposed on a nurse by the remote state's licensing board or other authority including actions against an individual's multistate licensure privilege to practice in the remote state; and

(2) cease and desist and other injunctive or equitable orders issued by remote states or the licensing boards of those states.

(m) "State" means a state, territory, or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.

(n) "State practice laws" means individual party state laws and regulations that govern the practice of nursing, define the scope of nursing practice, and create the methods and grounds for imposing discipline. State practice laws does not include the initial qualifications for licensure or requirements necessary to obtain and retain a license, except for qualifications or requirements of the home state.

ARTICLE 2  
GENERAL PROVISIONS AND JURISDICTION

(a) A license to practice registered nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a multistate licensure privilege to practice as a registered nurse in the party state. A license to practice licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a multistate licensure privilege to practice as a licensed practical/vocational nurse in the party state. In order to obtain or retain a license, an applicant must meet the home state's qualifications for licensure and license renewal as well as all other applicable state laws.

(b) Party states may, according to state due process laws, limit or revoke the multistate licensure privilege of any nurse to practice in their state and may take any other actions under their applicable state laws necessary to protect the health and safety of their citizens. If a party state takes such action, it shall promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the home state of any such actions by remote states.

(c) Every nurse practicing in a party state must comply with the state practice laws of the state in which the patient is located at the time care is rendered. In addition, the practice of nursing is not limited to patient care, but shall include all nursing practice as defined by the state practice laws of the party state. The practice of nursing will subject a nurse to the jurisdiction of the nurse licensing board, the courts, and the laws in the party state.

(d) This compact does not affect additional requirements imposed by states for advanced practice registered nursing. However, a multistate licensure privilege to practice registered nursing granted by a party state shall be recognized by other party states as a license to practice registered nursing if one is required by state law as a precondition for qualifying for advanced practice registered nurse authorization.

(e) Individuals not residing in a party state shall continue to be able to apply for nurse licensure as provided for under the laws of each party state. However, the license granted to these individuals will not be recognized as granting the privilege to practice nursing in any other party state unless explicitly agreed to by that party state.

ARTICLE 3  
APPLICATIONS FOR LICENSURE IN A PARTY STATE

(a) Upon application for a license, the licensing board in a party state shall ascertain, through the coordinated licensure information system, whether the applicant has ever held or is the holder of a license issued by any other state, whether there are any restrictions on the multistate licensure privilege, and whether any other adverse action by a state has been taken against the license.

(b) A nurse in a party state shall hold licensure in only one party state at a time, issued by the home state.

(c) A nurse who intends to change primary state of residence may apply for licensure in the new home state in advance of the change. However, new licenses will not be issued by a party state until after a nurse provides evidence of change in primary state of residence satisfactory to the new home state's licensing board.

(d) When a nurse changes primary state of residence by:

(1) moving between two party states, and obtains a license from the new home state, the license from the former home state is no longer valid;

(2) moving from a nonparty state to a party state, and obtains a license from the new home state, the individual state license issued by the nonparty state is not affected and will remain in full force if so provided by the laws of the nonparty state; or

(3) moving from a party state to a nonparty state, the license issued by the prior home state converts to an individual state license, valid only in the former home state, without the multistate licensure privilege to practice in other party states.

#### ARTICLE 4 ADVERSE ACTIONS

In addition to the general provisions described in article 2, the provisions in this article apply.

(a) The licensing board of a remote state shall promptly report to the administrator of the coordinated licensure information system any remote state actions including the factual and legal basis for the action, if known. The licensing board of a remote state shall also promptly report any significant current investigative information yet to result in a remote state action. The administrator of the coordinated licensure information system shall promptly notify the home state of any reports.

(b) The licensing board of a party state shall have the authority to complete any pending investigation for a nurse who changes primary state of residence during the course of the investigation. The board shall also have the authority to take appropriate action, and shall promptly report the conclusion of the investigation to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system shall promptly notify the new home state of any action.

(c) A remote state may take adverse action affecting the multistate licensure privilege to practice within that party state. However, only the home state shall have the power to impose adverse action against the license issued by the home state.

(d) For purposes of imposing adverse actions, the licensing board of the home state shall give the same priority and effect to reported conduct received from a remote state as it would if the conduct had occurred within the home state. In so doing, it shall apply its own state laws to determine appropriate action.

(e) The home state may take adverse action based on the factual findings of the remote state, provided each state follows its own procedures for imposing the adverse action.

(f) Nothing in this compact shall override a party state's decision that participation in an alternative program may be used in lieu of licensure action and that participation shall remain nonpublic if required by the party state's laws.

Party states must require nurses who enter any alternative programs to agree not to practice in any other party state during the term of the alternative program without prior authorization from the other party state.

#### ARTICLE 5 ADDITIONAL AUTHORITIES INVESTED IN PARTY STATE NURSE LICENSING BOARDS

Notwithstanding any other laws, party state nurse licensing boards shall have the authority to:

(1) if otherwise permitted by state law, recover from the affected nurse the costs of investigation and disposition of cases resulting from any adverse action taken against that nurse;

(2) issue subpoenas for both hearings and investigations which require the attendance and testimony of witnesses, and the production of evidence. Subpoenas issued by a nurse licensing board in a party state for the attendance and testimony of witnesses, and the production of evidence from another party state, shall be enforced in the latter state by any court of competent jurisdiction according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority shall pay any witness fees, travel expenses, mileage, and other fees required by the service statutes of the state where the witnesses and evidence are located;

(3) issue cease and desist orders to limit or revoke a nurse's authority to practice in the nurse's state; and

(4) adopt uniform rules and regulations as provided for in article 7, paragraph (c).

#### ARTICLE 6 COORDINATED LICENSURE INFORMATION SYSTEM

(a) All party states shall participate in a cooperative effort to create a coordinated database of all licensed registered nurses and licensed practical/vocational nurses. This system shall include information on the licensure and disciplinary history of each nurse, as contributed by party states, to assist in the coordination of nurse licensure and enforcement efforts.

(b) Notwithstanding any other provision of law, all party states' licensing boards shall promptly report adverse actions, actions against multistate licensure privileges, any current significant investigative information yet to result in adverse action, denials of applications, and the reasons for the denials to the coordinated licensure information system.

(c) Current significant investigative information shall be transmitted through the coordinated licensure information system only to party state licensing boards.

(d) Notwithstanding any other provision of law, all party states' licensing boards contributing information to the coordinated licensure information system may designate information that may not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.

(e) Any personally identifiable information obtained by a party state's licensing board from the coordinated licensure information system may not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the laws of the party state contributing the information.

(f) Any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information shall also be expunged from the coordinated licensure information system.

(g) The compact administrators, acting jointly with each other and in consultation with the administrator of the coordinated licensure information system, shall formulate necessary and proper procedures for the identification, collection, and exchange of information under this compact.

#### ARTICLE 7 COMPACT ADMINISTRATION AND INTERCHANGE OF INFORMATION

(a) The head or designee of the nurse licensing board of each party state shall be the administrator of this compact for that state.

(b) The compact administrator of each party state shall furnish to the compact administrator of each other party state any information and documents including, but not limited to, a uniform data set of investigations, identifying information, licensure data, and disclosable alternative program participation information to facilitate the administration of this compact.

(c) Compact administrators shall have the authority to develop uniform rules to facilitate and coordinate implementation of this compact. These uniform rules shall be adopted by party states under the authority in article 5, clause (4).

#### ARTICLE 8 IMMUNITY

A party state or the officers, employees, or agents of a party state's nurse licensing board who acts in good faith according to the provisions of this compact shall not be liable for any act or omission while engaged in the performance of their duties under this compact. Good faith shall not include willful misconduct, gross negligence, or recklessness.

#### ARTICLE 9 ENACTMENT, WITHDRAWAL, AND AMENDMENT

(a) This compact shall become effective for each state when it has been enacted by that state. Any party state may withdraw from this compact by repealing the nurse licensure compact, but no withdrawal shall take effect until six months after the withdrawing state has given notice of the withdrawal to the executive heads of all other party states.

(b) No withdrawal shall affect the validity or applicability by the licensing boards of states remaining party to the compact of any report of adverse action occurring prior to the withdrawal.

(c) Nothing contained in this compact shall be construed to invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a nonparty state that is made according to the other provisions of this compact.

(d) This compact may be amended by the party states. No amendment to this compact shall become effective and binding upon the party states until it is enacted into the laws of all party states.

#### ARTICLE 10 CONSTRUCTION AND SEVERABILITY

(a) This compact shall be liberally construed to effectuate the purposes of the compact. The provisions of this compact shall be severable and if any phrase, clause, sentence, or provision of this compact is declared to be contrary to the constitution of any party state or of the United States or the applicability thereof to any government, agency, person, or circumstance is held invalid, the validity of the remainder of this compact and the applicability of it to any government, agency, person, or circumstance shall not be affected by it. If this compact is held contrary to the constitution of any party state, the compact shall remain in full force and effect for the remaining party states and in full force and effect for the party state affected as to all severable matters.

(b) In the event party states find a need for settling disputes arising under this compact:

(1) the party states may submit the issues in dispute to an arbitration panel which shall be comprised of an individual appointed by the compact administrator in the home state, an individual appointed by the compact administrator in the remote states involved, and an individual mutually agreed upon by the compact administrators of the party states involved in the dispute; and

(2) the decision of a majority of the arbitrators shall be final and binding.

Sec. 2. **[148.2856] APPLICATION OF NURSE LICENSURE COMPACT TO EXISTING LAWS.**

(a) A nurse practicing professional or practical nursing in Minnesota under the authority of section 148.2855 shall have the same obligations, privileges, and rights as if the nurse was licensed in Minnesota. Notwithstanding any contrary provisions in section 148.2855, the Board of Nursing shall comply with and follow all laws and rules with respect to registered and licensed practical nurses practicing professional or practical nursing in Minnesota under the authority of section 148.2855, and all such individuals shall be governed and regulated as if they were licensed by the board.

(b) Section 148.2855 does not relieve employers of nurses from complying with statutorily imposed obligations.

(c) Section 148.2855 does not supersede existing state labor laws.

(d) For purposes of the Minnesota Government Data Practices Act, chapter 13, an individual not licensed as a nurse under sections 148.171 to 148.285 who practices professional or practical nursing in Minnesota under the authority of section 148.2855 is considered to be a licensee of the board.

(e) Uniform rules developed by the compact administrators shall not be subject to the provisions of sections 14.05 to 14.389, except for sections 14.07, 14.08, 14.101, 14.131, 14.18, 14.22, 14.23, 14.27, 14.28, 14.365, 14.366, 14.37, and 14.38.

(f) Proceedings brought against an individual's multistate privilege shall be adjudicated following the procedures listed in sections 14.50 to 14.62 and shall be subject to judicial review as provided for in sections 14.63 to 14.69.

(g) For purposes of sections 62M.09, subdivision 2; 121A.22, subdivision 4; 144.051; 144.052; 145A.02, subdivision 18; 148.975; 151.37; 152.12; 154.04; 256B.0917, subdivision 8; 595.02, subdivision 1, paragraph (g); 604.20, subdivision 5; and 631.40, subdivision 2; and chapters 319B and 364, holders of a multistate privilege who are licensed as registered or licensed practical nurses in the home state shall be considered to be licensees in Minnesota. If any of the statutes listed in this paragraph are limited to registered nurses or the practice of professional nursing, then only holders of a multistate privilege who are licensed as registered nurses in the home state shall be considered licensees.

(h) The reporting requirements of sections 144.4175, 148.263, 626.52, and 626.557 apply to individuals not licensed as registered or licensed practical nurses under sections 148.171 to 148.285 who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(i) The board may take action against an individual's multistate privilege based on the grounds listed in section 148.261, subdivision 1, and any other statute authorizing or requiring the board to take corrective or disciplinary action.

(j) The board may take all forms of disciplinary action provided for in section 148.262, subdivision 1, and corrective action provided for in section 214.103, subdivision 6, against an individual's multistate privilege.

(k) The immunity provisions of section 148.264, subdivision 1, apply to individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(l) The cooperation requirements of section 148.265 apply to individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(m) The provisions of section 148.283 shall not apply to individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

(n) Complaints against individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855 shall be handled as provided in sections 214.10 and 214.103.

(o) All provisions of section 148.2855 authorizing or requiring the board to provide data to party states are authorized by section 214.10, subdivision 8, paragraph (d).

(p) Except as provided in section 13.41, subdivision 6, the board shall not report to a remote state any active investigative data regarding a complaint investigation against a nurse licensed under sections 148.171 to 148.285, unless the board obtains reasonable assurances from the remote state that the data will be maintained with the same protections as provided in Minnesota law.

(q) The provisions of sections 214.17 to 214.25 apply to individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855 when the practice involves direct physical contact between the nurse and a patient.

(r) A nurse practicing professional or practical nursing in Minnesota under the authority of section 148.2855 must comply with any criminal background check required under Minnesota law.

### Sec. 3. **[148.2857] WITHDRAWAL FROM COMPACT.**

The governor may withdraw the state from the compact in section 148.2855 if the Board of Nursing notifies the governor that a party state to the compact changed the party state's requirements for nurse licensure after July 1, 2009, and that the party state's requirements, as changed, are substantially lower than the requirements for nurse licensure in this state.

### Sec. 4. **[148.2858] MISCELLANEOUS PROVISIONS.**

(a) For the purposes of section 148.2855, "head of the Nurse Licensing Board" means the executive director of the board.

(b) The Board of Nursing shall have the authority to recover from a nurse practicing professional or practical nursing in Minnesota under the authority of section 148.2855 the costs of investigation and disposition of cases resulting from any adverse action taken against the nurse.

(c) The board may implement a system of identifying individuals who practice professional or practical nursing in Minnesota under the authority of section 148.2855.

### Sec. 5. **[148.2859] NURSE LICENSURE COMPACT ADVISORY COMMITTEE.**

Subdivision 1. **Establishment; membership.** A Nurse Licensure Compact Advisory Committee is established to advise the compact administrator in the implementation of section 148.2855. Members of the advisory committee shall be appointed by the board and shall be composed of representatives of Minnesota nursing organizations, Minnesota licensed nurses who practice in nursing facilities or hospitals, Minnesota licensed nurses who provide home care, Minnesota licensed advanced practice registered nurses, and public members as defined in section 214.02.

Subd. 2. **Duties.** The advisory committee shall advise the compact administrator in the implementation of section 148.2855.

Subd. 3. **Organization.** The advisory committee shall be organized and administered under section 15.059.

Sec. 6. **APPROPRIATION.**

\$149,000 in fiscal year 2013 is appropriated from the state government special revenue fund to the Board of Nursing for the purposes of this act. The state government special revenue fund base appropriation is increased by \$6,000 in fiscal years 2014 and 2015.

Sec. 7. **EFFECTIVE DATE.**

Sections 1 to 5 are effective upon implementation of the coordinated licensure information system defined in section 1, article 6, but no sooner than July 1, 2012."

The motion prevailed and the amendment was adopted.

The Speaker called Anderson, S., to the Chair.

Norton moved to amend S. F. No. 230, the second engrossment, as amended, as follows:

Page 10, line 10, delete "2009" and insert "2012"

Page 11, delete section 6 and insert:

"Sec. 6. **EVALUATION.**

(a) The commissioner of health, in cooperation with the Board of Nursing and representatives from labor organizations, professional nursing groups including the National Council of State Boards of Nursing, and Minnesota hospitals, shall prepare a report evaluating the impact of the adoption of the Nurse Licensure Compact in other states on the following:

(1) the nurse workforce;

(2) disciplinary actions; and

(3) union bargaining.

(b) Additional reports shall evaluate the impact during the first three years following adoption of the compact.

(c) The commissioner shall present the reports to the chairs and ranking minority members of committees of the legislature with jurisdiction over health and human services policy and the Office of the Governor to determine whether the state shall participate in the compact. The initial report must be submitted no later than January 15, 2013, and each of the following three years by January 15.

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

Sec. 7. **APPROPRIATION.**

(a) \$75,000 in fiscal year 2013 and \$74,000 in fiscal year 2014 is appropriated from the state government special revenue fund to the Board of Nursing for the purposes of this act. The state government special revenue fund base appropriation is increased by \$6,000 in fiscal years 2014 and 2015.

(b) \$50,000 in fiscal year 2013 is appropriated from the state government special revenue fund to the Board of Nursing for transfer to the commissioner of health to conduct the evaluation of the impact of adoption of the Nurse Licensure Compact."

Page 11, line 7, after "5" insert "and 7"

Page 11, line 8, delete "2012" and insert "2013"

ReNUMBER the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 230, A bill for an act relating to health occupations; providing for a Nurse Licensure Compact; providing for appointments; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 148.

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 75 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Daudt	Hackbarth	Leidiger	Myhra	Slawik
Anderson, D.	Dean	Hamilton	Liebling	Nornes	Stensrud
Anderson, P.	Dettmer	Hancock	Lohmer	Norton	Swedzinski
Anderson, S.	Doepke	Holberg	Loon	O'Driscoll	Torkelson
Banaian	Downey	Hoppe	Mack	Peppin	Urdahl
Barrett	Drazkowski	Huntley	Marquart	Petersen, B.	Vogel
Beard	Eken	Kath	Mazorol	Poppe	Wardlow
Benson, M.	Erickson	Kelly	McDonald	Quam	Westrom
Bills	Fabian	Kieffer	McElfrick	Runbeck	Woodard
Brynaert	Franson	Kiel	McFarlane	Sanders	Spk. Zellers
Buesgens	Garofalo	Kiffmeyer	McNamara	Schomacker	
Cornish	Gruenhagen	Kriesel	Murdock	Scott	
Crawford	Gunther	Lanning	Murray	Shimanski	

Those who voted in the negative were:

Abeler	Carlson	Dill	Greene	Hilty	Johnson
Allen	Champion	Dittrich	Greiling	Hornstein	Kahn
Anzelc	Clark	Falk	Hansen	Hortman	Knuth
Atkins	Dauids	Fritz	Hausman	Hosch	Laine
Benson, J.	Davnie	Gauthier	Hilstrom	Howes	LeMieur

Lenczewski	Mariani	Murphy, E.	Persell	Smith	Winkler
Lesch	Melin	Murphy, M.	Rukavina	Thissen	
Lillie	Moran	Nelson	Scalze	Tillberry	
Loeffler	Morrow	Paymar	Simon	Wagenius	
Mahoney	Mullery	Pelowski	Slocum	Ward	

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

The following Conference Committee Report was received:

#### CONFERENCE COMMITTEE REPORT ON H. F. No. 1870

A bill for an act relating to education; allowing school districts to base unrequested leave of absence and certain discharge and demotion decisions on teacher evaluation outcomes; amending Minnesota Statutes 2010, sections 122A.40, subdivisions 10, 11, 19; 122A.41, subdivisions 14, 15; 123A.75, subdivision 1; Minnesota Statutes 2011 Supplement, sections 122A.245, subdivision 1; 122A.41, subdivision 6.

March 26, 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. 1870 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. 1870 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2011 Supplement, section 122A.245, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) To improve academic excellence, improve ethnic and cultural diversity in the classroom, and close the academic achievement gap, the Board of Teaching must approve qualified teacher preparation programs under this section that are a means to acquire a two-year limited-term license, which the board may renew one time for an additional one-year term, and to prepare for acquiring a standard license. The following entities are eligible to participate under this section:

(1) a school district or charter school that forms a partnership with a college or university that has a board-approved alternative teacher preparation program; or

(2) a school district or charter school, after consulting with a college or university with a board-approved teacher preparation program, forms a partnership with a nonprofit corporation organized under chapter 317A for an education-related purpose that has a board-approved teacher preparation program.

(b) Before participating in this program, a candidate must:

(1) have a bachelor's degree with a 3.0 or higher grade point average unless the board waives the grade point average requirement based on board-adopted criteria;

(2) pass the reading, writing, and mathematics skills examination under section 122A.09, subdivision 4, paragraph (b); and

(3) obtain qualifying scores on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

(c) The Board of Teaching must issue a two-year limited-term license to a person who enrolls in an alternative teacher preparation program. This limited-term license is not a provisional license under section 122A.40 or 122A.41.

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

Sec. 2. 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 or consistent with the unrequested leave of absence plan in effect under subdivision 10 or 11. 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 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 the day following final enactment.

Sec. 3. Minnesota Statutes 2010, section 122A.40, subdivision 10, is amended to read:

Subd. 10. **Negotiated unrequested leave of absence.** (a) The school board and the exclusive bargaining representative of the teachers ~~may~~ must negotiate a plan providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. The plan must base unrequested leave of absence decisions on teachers' subject matter licensure fields and evaluation outcomes, from the least to most effective category under subdivision 8 and from the least to greatest seniority within each effectiveness category, and must be consistent with subdivision 11, paragraph (n). Failing to successfully negotiate such a plan, the provisions of subdivision 11 shall apply. The negotiated plan must not include provisions which would result in the exercise of seniority by a teacher holding only a provisional license, other than a vocational education license if required for the position, contrary to the provisions of subdivision 11, ~~clause~~ paragraph (c), or the reinstatement of a teacher holding only a provisional license, other than a vocational education license required for the position, contrary to the provisions of subdivision 11, ~~clause (e)~~ paragraph (f) . The provisions of section 179A.16 do not apply for the purposes of this subdivision.

(b) For purposes of placing a teacher on unrequested leave of absence or recalling a teacher from unrequested leave of absence, nothing in this subdivision requires a school board to reassign a teacher in order to accommodate the seniority claims of another teacher. For purposes of this subdivision, a provisional license is a license to teach issued by the Board of Teaching under a waiver or variance.

(c) Notwithstanding section 13.43, subdivision 2, paragraph (a), clause (5), or other law to the contrary, a teacher's effectiveness category and the underlying data on the individual teacher generated under the teacher evaluation process in subdivision 8, paragraph (b), used to determine a teacher's effectiveness category for purposes of this subdivision are private data on individuals.

(d) Notwithstanding paragraph (c), the school board may make the effectiveness categories of the teachers accessible to the exclusive representative of teachers for the purpose of verifying the order of teachers' unrequested leave of absence.

(e) Nothing in this subdivision permits a school board to use a teacher's remuneration as a basis for making unrequested leave of absence or discharge decisions.

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

Sec. 4. Minnesota Statutes 2010, section 122A.40, subdivision 11, is amended to read:

Subd. 11. **Unrequested leave of absence.** The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation or reorganization of districts under chapter 123A. The unrequested leave is effective at the close of the school year. In placing teachers on unrequested leave, the board is governed by the following provisions:

(a) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed; .

(b) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable; .

(c) Notwithstanding the provisions of ~~clause paragraph~~ (b), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, ~~as defined by the board of teaching~~, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this ~~clause paragraph~~ do not apply to vocational education licenses; required for available positions.

(d) Notwithstanding ~~clauses paragraphs~~ (a), (b) and (c), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of ~~clause paragraph~~ (c) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher; .

(e) For purposes of placing a teacher on unrequested leave of absence or recalling a teacher from unrequested leave of absence, nothing in this subdivision requires a school board to reassign a teacher in order to accommodate the seniority claims of another teacher.

(f) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license if required for the position, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable; .

(~~g~~) (g) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board; .

(~~g~~) (h) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave; .

(~~h~~) (i) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service; .

(~~h~~) (j) Consistent with paragraph (n) and subdivision 10, the unrequested leave of absence of a teacher who is categorized as effective or better under subdivision 8, who is placed on unrequested leave of absence, and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate terminates. The teacher's right to reinstatement ~~shall also terminate terminates~~ if the teacher fails to file with the board by April 1 of ~~any~~ each year a written statement requesting reinstatement; .

(k) Consistent with paragraph (n) and subdivision 10, the unrequested leave of absence of a teacher who is categorized as ineffective or less under subdivision 8, who is placed on unrequested leave of absence, and who is not reinstated continues for the following school year only, after which the teacher's right to reinstatement terminates. The teacher's right to reinstatement also terminates if the teacher fails to file with the board by April 1 in that following school year a written statement requesting reinstatement.

(~~h~~) (l) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence; .

~~(k)~~ (m) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

(n) Beginning in the 2016-2017 school year and later, and notwithstanding any contradictory provisions in this subdivision, a school board must place teachers on unrequested leave of absence based on their subject matter licensure fields and most recent evaluation outcomes, from the least to most effective category under subdivision 8 and from least to greatest seniority, including probationary teachers, within each effectiveness category. A school board is not required to reassign a teacher in order to accommodate the seniority claims of another teacher. A school board may decide to renew or not renew a probationary teacher's contract as it sees fit. The school board must make available to the public in a readily accessible format the unrequested leave of absence plan it develops and implements under this paragraph.

(o) For purposes of this subdivision, a provisional license is a license to teach issued by the Board of Teaching under a waiver or variance.

(p) Notwithstanding section 13.43, subdivision 2, paragraph (a), clause (5), or other law to the contrary, a teacher's effectiveness category and the underlying data on the individual teacher generated under the teacher evaluation process in subdivision 8, paragraph (b), used to determine a teacher's effectiveness category for purposes of this subdivision are private data on individuals.

**EFFECTIVE DATE.** This section is effective the day following final enactment except that paragraph (n) is effective for the 2016-2017 school year and later.

Sec. 5. Minnesota Statutes 2010, section 122A.40, subdivision 19, is amended to read:

Subd. 19. **Records relating to individual teacher; access; expungement.** All evaluations and files generated within a school district relating to each individual teacher, including teacher evaluation data under subdivisions 8, 10, and 11, among other teacher evaluations and files, must be available to each individual teacher upon written request. Effective January 1, 1976, all evaluations and files, wherever generated, relating to each individual teacher must be available to each individual teacher upon written request. The teacher shall have the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained therein.

A district may destroy the files as provided by law and must expunge from the teacher's file any material found to be false or inaccurate through the grievance procedure required pursuant to section 179A.20, subdivision 4. The grievance procedure promulgated by the director of the bureau of mediation services, pursuant to section 179A.04, subdivision 3, clause (h), applies to those principals and supervisory employees not included in an appropriate unit as defined in section 179A.03. Expungement proceedings must be commenced within the time period provided in the collective bargaining agreement for the commencement of a grievance. If no time period is provided in the bargaining agreement, the expungement proceedings must commence within 15 days after the teacher has knowledge of the inclusion in the teacher's file of the material the teacher seeks to have expunged.

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

Sec. 6. Minnesota Statutes 2011 Supplement, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit or consistent with the service termination plan in effect under subdivision 6 or 14. The

school site management team or the school board if there is no school site management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall 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 shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) 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).

(c) 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 the day following final enactment.

Sec. 7. Minnesota Statutes 2011 Supplement, section 122A.41, subdivision 6, is amended to read:

Subd. 6. **Grounds for discharge or demotion.** (a) Except as otherwise provided in paragraph ~~(b)~~ (d), causes for the discharge or demotion of a teacher either during or after the probationary period must be:

- (1) immoral character, conduct unbecoming a teacher, or insubordination;
- (2) failure without justifiable cause to teach without first securing the written release of the school board having the care, management, or control of the school in which the teacher is employed;
- (3) inefficiency in teaching or in the management of a school, consistent with subdivision 5, paragraph (b);
- (4) affliction with active tuberculosis or other communicable disease must be considered as cause for removal or suspension while the teacher is suffering from such disability; or
- (5) discontinuance of position or lack of pupils.

Beginning in the 2016-2017 school year and later, and notwithstanding any contradictory provisions in this subdivision, the school board must discharge or demote teachers under clause (5) based on their subject matter licensure fields and most recent evaluation outcomes, from the least to most effective category under subdivision 5 and from least to greatest seniority, including probationary teachers, within each effectiveness category. Nothing in this subdivision permits a school board to use a teacher's remuneration as the basis for making discharge or demotion decisions. The school board must make available to the public in a readily accessible format any discharge and demotion plan it develops to implement clause (5) of this paragraph.

For purposes of this paragraph, conduct unbecoming a teacher includes an unfair discriminatory practice described in section 363A.13.

(b) Notwithstanding section 13.43, subdivision 2, paragraph (a), clause (5), or other law to the contrary, a teacher's effectiveness category and the underlying data on the individual teacher generated under the teacher evaluation process in subdivision 5, paragraph (b), used to determine a teacher's effectiveness category for purposes of this subdivision are private data on individuals.

(c) Notwithstanding paragraph (b), the school board may make the effectiveness categories of the teachers accessible to the exclusive representative of teachers for the purpose of verifying the order of teachers' discharge and demotion.

~~(b)~~ (d) A probationary or continuing-contract teacher must be discharged 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 and applies to negotiated plans agreed to after that date.

Sec. 8. Minnesota Statutes 2010, section 122A.41, subdivision 14, is amended to read:

Subd. 14. **Services terminated by discontinuance or lack of pupils; preference given.** (a) To the extent consistent with paragraph (c) and subdivision 6, paragraph (a), clause (5), a teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified. ~~In the event~~ If it becomes is necessary to discontinue one or more positions, in making such discontinuance, teachers must be discontinued in any department in the inverse order in which they were employed, unless a board and the exclusive representative of teachers in the district negotiate a plan providing otherwise.

(b) Notwithstanding the provisions of ~~clause paragraph (a)~~ , and to the extent consistent with paragraph (c) and subdivision 6, paragraph (a) , a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, ~~as defined by the Board of Teaching,~~ unless that exercise of seniority results in the termination of services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this clause do not apply to vocational education licenses.

(c) For purposes of discharging, demoting, or recalling a teacher whose services are terminated under this subdivision, nothing in this subdivision requires a school board to reassign a teacher in order to accommodate the seniority claims of another teacher.

(d) Notwithstanding the provisions of ~~clause paragraph (a)~~ , and to the extent consistent with paragraph (c) and subdivision 6, paragraph (a) , a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license if required for the position, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

(e) For purposes of this subdivision, a provisional license is a license to teach issued by the Board of Teaching under a waiver or variance.

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

Sec. 9. Minnesota Statutes 2010, section 122A.41, subdivision 15, is amended to read:

Subd. 15. **Records relating to individual teacher; access; expungement.** All evaluations and files generated within a district relating to each individual teacher, including teacher evaluation data under subdivisions 5, 6, and 14, among other teacher evaluations and files, must be available to each individual teacher upon the teacher's written

request. Effective January 1, 1976, all evaluations and files, wherever generated, relating to each individual teacher must be available to each individual teacher upon the teacher's written request. The teacher has the right to reproduce any of the contents of the files at the teacher's expense and to submit for inclusion in the file written information in response to any material contained therein.

A district may destroy the files as provided by law and must expunge from the teacher's file any material found to be false or substantially inaccurate through the grievance procedure required pursuant to section 179A.20, subdivision 4. The grievance procedure promulgated by the director of the Bureau of Mediation Services, pursuant to section 179A.04, subdivision 3, clause (h), applies to those principals and supervisory employees not included in an appropriate unit as defined in section 179A.03. Expungement proceedings must be commenced within the time period provided in the collective bargaining agreement for the commencement of a grievance. If no time period is provided in the bargaining agreement, the expungement proceedings must commence within 15 days after the teacher has knowledge of the inclusion in the teacher's file of the material the teacher seeks to have expunged.

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

Sec. 10. Minnesota Statutes 2010, section 123A.75, subdivision 1, is amended to read:

Subdivision 1. **Teacher assignment.** (a) As of the effective date of a consolidation in which a district is divided or the dissolution of a district and its attachment to two or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the teacher with the greatest seniority, and the remaining teachers must be alternately assigned to each district until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.

(b) Notwithstanding paragraph (a), the board and the exclusive representative of teachers in each district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district.

(c) Notwithstanding other law to the contrary, the provisions of this section apply only to the extent they are consistent with section 122A.40, subdivisions 8, 10, and 11.

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

Correct the title numbers

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

House Conferees: BRANDEN PETERSEN, KEITH DOWNEY, SONDRERICKSON and KELBY WOODARD.

Senate Conferees: PAM WOLF, THEODORE J. "TED" DALEY, BENJAMIN A. KRUSE, GEN OLSON and TERRI E. BONOFF.

Petersen, B., moved that the report of the Conference Committee on H. F. No. 1870 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1870, A bill for an act relating to education; allowing school districts to base unrequested leave of absence and certain discharge and demotion decisions on teacher evaluation outcomes; amending Minnesota Statutes 2010, sections 122A.40, subdivisions 10, 11, 19; 122A.41, subdivisions 14, 15; 123A.75, subdivision 1; Minnesota Statutes 2011 Supplement, sections 122A.245, subdivision 1; 122A.41, subdivision 6.

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 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Gunther	Kriesel	Murdock	Shimanski
Anderson, B.	Daudt	Hackbarth	Lanning	Murray	Smith
Anderson, D.	Dean	Hamilton	Leidiger	Myhra	Stensrud
Anderson, P.	Dettmer	Hancock	LeMieur	Nornes	Swedzinski
Anderson, S.	Doepke	Holberg	Lohmer	O'Driscoll	Torkelson
Banaian	Downey	Hoppe	Loon	Peppin	Vogel
Barrett	Drazkowski	Howes	Mack	Petersen, B.	Wardlow
Beard	Erickson	Kelly	Mazorol	Quam	Westrom
Benson, M.	Fabian	Kieffer	McDonald	Runbeck	Woodard
Bills	Franson	Kiel	McElfatrick	Sanders	Spk. Zellers
Buesgens	Garofalo	Kiffmeyer	McFarlane	Schomacker	
Cornish	Gruenhagen	Knuth	McNamara	Scott	

Those who voted in the negative were:

Allen	Dittrich	Hornstein	Lillie	Nelson	Thissen
Anzelc	Eken	Hortman	Loeffler	Norton	Tillberry
Atkins	Falk	Hosch	Mahoney	Paymar	Urdahl
Benson, J.	Fritz	Huntley	Mariani	Pelowski	Wagenius
Brynaert	Gauthier	Johnson	Marquart	Persell	Ward
Carlson	Greene	Kahn	Melin	Poppe	Winkler
Champion	Greiling	Kath	Moran	Rukavina	
Clark	Hansen	Laine	Morrow	Scalze	
Davids	Hausman	Lenczewski	Mullery	Simon	
Davnie	Hilstrom	Lesch	Murphy, E.	Slawik	
Dill	Hilty	Liebling	Murphy, M.	Slocum	

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

There being no objection, the order of business reverted to Messages from the Senate.

### MESSAGES FROM THE SENATE

The following messages were received from the Senate:

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. 2555, A bill for an act relating to state government; implementing changes to the sunset review; changing certain agency requirements; requiring posting of convictions of felonies or gross misdemeanors and malpractice settlements or judgments for a regulated practitioner; requiring certain information on regulated practitioners; requiring a study; prohibiting transfer of certain funds; requiring reports and a financial audit; setting fees; abolishing the Combative Sports Commission and transferring combative sports duties to the commissioner of labor and industry; establishing a Combative Sports Advisory Council; requiring a review of the Minnesota Board of Medical Practice; changing provisions for health-related licensing boards; appropriating money; amending Minnesota Statutes 2010, sections 3.922, by adding a subdivision; 3.9223, subdivision 7; 3.9225, subdivision 7; 3.9226, subdivision 7; 147.01, subdivision 4; 147.111, by adding a subdivision; 148.102, by adding a subdivision; 148.261, subdivision 1; 148.263, by adding a subdivision; 148.5194, subdivision 5; 148.6445, subdivision 10; 148B.07, by adding a subdivision; 148C.095, by adding a subdivision; 148E.285, by adding a subdivision; 150A.13, by adding a subdivision; 153.24, by adding a subdivision; 153A.17; 214.06, subdivisions 1, 1a, by adding a subdivision; 214.09, by adding a subdivision; 214.103; 341.21, by adding a subdivision; 341.28, subdivision 1; 341.37; Minnesota Statutes 2011 Supplement, sections 3D.04; 3D.06; 3D.21, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 3D; 16B; 214; 341; repealing Minnesota Statutes 2010, sections 138A.01; 138A.02; 138A.03; 138A.04; 138A.05; 138A.06; 341.21, subdivisions 3, 4a; 341.22; 341.23; 341.24; 341.26.

CAL R. LUDEMAN, Secretary of the Senate

Kiffmeyer moved that the House refuse to concur in the Senate amendments to H. F. No. 2555, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2493.

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. 2493

A bill for an act relating to natural resources; appropriating money from the outdoor heritage fund; modifying requirements for outdoor heritage fund appropriations; appropriating money for clean water; appropriating money for an Aquatic Invasive Species Cooperative Research Center; modifying prior appropriations; modifying certain parks and trails grant program provisions; amending Minnesota Statutes 2010, sections 85.535, subdivision 3; 97A.056, by adding subdivisions; Laws 2009, chapter 172, article 3, section 3; Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 9; Laws 2011, First Special Session chapter 6, article 2, section 7.

April 25, 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. 2493 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2493 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
OUTDOOR HERITAGE FUND

Section 1. **OUTDOOR HERITAGE APPROPRIATION.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the outdoor heritage fund and are available for the fiscal years indicated for each purpose. The figures "2012" and "2013" used in this article mean that the appropriations listed under the figure are available for the fiscal year ending June 30, 2012, or June 30, 2013, respectively. "The first year" is fiscal year 2012. "The second year" is fiscal year 2013. "The biennium" is fiscal years 2012 and 2013. The appropriations in this article are onetime.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2012</u></b>	<b><u>2013</u></b>

Sec. 2. **OUTDOOR HERITAGE**

Subdivision 1. **Total Appropriation**

<b><u>\$-0-</u></b>	<b><u>\$99,920,000</u></b>
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This appropriation is from the outdoor heritage fund. The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Prairies**

<b><u>-0-</u></b>	<b><u>24,640,000</u></b>
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(a) **Minnesota Buffers for Wildlife and Water - Phase II**

\$2,090,000 in the second year is to the Board of Water and Soil Resources in cooperation with Pheasants Forever to acquire permanent conservation easements to enhance habitat by expanding clean water fund riparian wildlife buffers on private land. A list of proposed permanent conservation easements must be provided as part of the final report. The accomplishment plan must include an easement stewardship plan. Up to \$90,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

(b) **Minnesota Prairie Recovery Project - Phase III**

\$4,610,000 in the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy to acquire native prairie and savanna and restore and enhance grasslands and savanna. A list of proposed land acquisitions must

be provided as part of the required accomplishment plan. Annual income statements and balance sheets for income and expenses from land acquired with this appropriation must be submitted to the Lessard-Sams Outdoor Heritage Council no later than 180 days following the close of The Nature Conservancy's fiscal year.

**(c) Cannon River Headwaters Habitat Complex - Phase II**

\$1,760,000 in the second year is to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire and restore lands in the Cannon River watershed for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, or aquatic management area purposes under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(d) Wildlife Management Area Acquisition**

\$2,900,000 in the second year is to the commissioner of natural resources to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(e) Northern Tallgrass Prairie National Wildlife Refuge Land Acquisition - Phase IV**

\$1,580,000 in the second year is to the commissioner of natural resources for an agreement with The Nature Conservancy in cooperation with the United States Fish and Wildlife Service to acquire land in fee or permanent conservation easements within the Northern Tallgrass Prairie Habitat Preservation Area in western Minnesota for addition to the Northern Tallgrass Prairie National Wildlife Refuge. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement monitoring and enforcement plan.

**(f) Accelerating the Wildlife Management Area Program - Phase IV**

\$3,300,000 in the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(g) Green Corridor Legacy Program - Phase IV**

\$1,730,000 in the second year is to the commissioner of natural resources for an agreement with the Redwood Area Development Corporation to acquire land in fee for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8, and for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(h) Accelerated Prairie Restoration and Enhancement on DNR Lands - Phase IV**

\$4,300,000 in the second year is to the commissioner of natural resources to accelerate the restoration and enhancement of wildlife management areas, scientific and natural areas, and land under native prairie bank easements. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

**(i) Anoka Sand Plain Habitat Restoration and Enhancement - Phase II**

\$1,050,000 in the second year is to the commissioner of natural resources for agreements to restore and enhance habitat on public lands in the Anoka Sand Plain and along the Rum River as follows: \$558,750 to Great River Greening; \$99,400 to the Anoka Conservation District; and \$391,850 to the National Wild Turkey Federation. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

**(j) Enhanced Public Grasslands**

\$1,320,000 in the second year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Prairie Chicken Society to restore and enhance habitat on public lands. The criteria for selection of projects must be included in the accomplishment plan. A list of proposed restorations and enhancements must be provided as part of the final report.

Subd. 3. **Forests**

-0-

15,300,000

**(a) Protecting Mississippi River Corridor Habitat ACUB Partnership - Phase II**

\$480,000 in the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements on land adjacent to the Nokasippi River and the boundaries of the Minnesota National Guard Army compatible use buffer (ACUB).

A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$4,800 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

**(b) Mississippi Northwoods Habitat Complex Protection**

\$11,040,000 in the second year is to the commissioner of natural resources for an agreement with Crow Wing County to acquire land in fee along the Mississippi River in Crow Wing County to be added to the county forest system. The purchase price must not exceed the appraised fair market value of the property as reviewed and approved under established procedures in compliance with the Uniform Standards of Professional Appraisal Practice and the Department of Natural Resources' Supplemental Appraisal and Appraisal Review Guidelines (effective July 15, 2009). A land description must be provided as part of the required accomplishment plan. Development of a paved trail on land acquired under this paragraph constitutes an alteration of the intended use of the interest in real property and must be handled according to Minnesota Statutes, section 97A.056, subdivision 15. Any plan, including trail alignment, for the development of a paved trail must be submitted to the Lessard-Sams Outdoor Heritage Council for approval. No paved trail development or paved trail use is allowed unless it is specified in the plan for trail use and alignment approved by the Lessard-Sams Outdoor Heritage Council.

If additional money is needed to acquire the land under this paragraph, by December 15, 2012, the amount necessary to complete the acquisition shall be transferred from unspent appropriations under subdivision 5, paragraph (h), and added to this appropriation.

**(c) Northeastern Minnesota Sharp-Tailed Grouse Habitat Partnership - Phase III**

\$1,340,000 in the second year is to the commissioner of natural resources for an agreement with Pheasants Forever in cooperation with the Minnesota Sharp-Tailed Grouse Society to acquire and enhance lands for wildlife management area purposes under Minnesota Statutes, section 86A.05, subdivision 8. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(d) Protect Key Forest Habitat Lands in Cass County - Phase III**

\$480,000 in the second year is to the commissioner of natural resources for an agreement with Cass County to acquire land in fee in Cass County for forest wildlife habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

**(e) Minnesota Moose Habitat Collaborative**

\$960,000 in the second year is to the commissioner of natural resources for an agreement with the Minnesota Deer Hunters Association to restore and enhance public forest lands in northeastern Minnesota for moose habitat purposes. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

**(f) LaSalle Lake: Protecting Critical Minnesota Headwaters Habitat**

\$1,000,000 in the second year is added to the appropriation in Laws 2011, First Special Session chapter 6, article 1, section 2, subdivision 3, paragraph (b).

Subd. 4. **Wetlands**

-0-

31,140,000**(a) Reinvest in Minnesota Wetlands Reserve Program Partnership - Phase IV**

\$13,810,000 in the second year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated upland habitat in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of land acquisitions must be provided as part of the final report. The accomplishment plan must include an easement stewardship plan. Up to \$180,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

**(b) Accelerating the Waterfowl Production Area Program - Phase IV**

\$5,400,000 in the second year is to the commissioner of natural resources for an agreement with Pheasants Forever to acquire land in fee to be managed and designated as waterfowl production areas in Minnesota, in cooperation with the United States Fish and Wildlife Service. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(c) **Columbus Lake Conservation Area**

\$940,000 in the second year is to the commissioner of natural resources for an agreement with Anoka County to acquire land in fee for conservation purposes that connect wetlands and shallow lakes to the Lamprey Pass Wildlife Management Area. A list of proposed land acquisitions must be provided as part of the required accomplishment plan.

(d) **Living Shallow Lakes and Wetlands Initiative - Phase II**

\$4,490,000 in the second year is to the commissioner of natural resources for an agreement with Ducks Unlimited to assess, restore, and enhance shallow lakes and wetlands, including technical assistance, survey, design, and engineering to develop new enhancement and restoration projects for future implementation. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

(e) **Accelerated Shallow Lakes and Wetlands Enhancement - Phase IV**

\$3,870,000 in the second year is to the commissioner of natural resources to develop engineering designs and complete construction to enhance shallow lakes and wetlands. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan. Work must be completed within three years of the effective date of this article.

(f) **Marsh Lake Enhancement**

\$2,630,000 in the second year is to the commissioner of natural resources to complete design and construction to modify the dam at Marsh Lake and return the historic outlet of the Pomme de Terre River to Lac Qui Parle.

Subd. 5. **Habitats**

-0-

28,620,000

(a) **DNR Aquatic Habitat - Phase IV**

\$3,480,000 in the second year is to the commissioner of natural resources to acquire interests in land in fee or permanent conservation easements for aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02, and to restore and enhance aquatic habitat. A list of proposed land acquisitions must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$25,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section

97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

**(b) Metro Big Rivers Habitat - Phase III**

\$3,680,000 in the second year is to the commissioner of natural resources for agreements to acquire interests in land in fee or permanent conservation easements and to restore and enhance natural systems associated with the Mississippi, Minnesota, and St. Croix Rivers as follows: \$1,000,000 to the Minnesota Valley National Wildlife Refuge Trust, Inc.; \$375,000 to the Friends of the Mississippi; \$375,000 to Great River Greening; \$930,000 to The Minnesota Land Trust; and \$1,000,000 to The Trust for Public Land. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$51,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

**(c) Dakota County Riparian and Lakeshore Protection and Management - Phase III**

\$480,000 in the second year is to the commissioner of natural resources for an agreement with Dakota County to acquire permanent conservation easements and restore and enhance habitats along the Mississippi, Cannon, and Vermillion Rivers. A list of proposed acquisitions, restorations, and enhancements must be provided as part of the required accomplishment plan. The accomplishment plan must include an easement stewardship plan. Up to \$20,000 is for establishing a monitoring and enforcement fund as approved in the accomplishment plan and subject to Minnesota Statutes, section 97A.056, subdivision 17. An annual financial report is required for any monitoring and enforcement fund established, including expenditures from the fund and a description of annual monitoring and enforcement activities.

**(d) Lower St. Louis River Habitat Restoration**

\$3,670,000 in the second year is to the commissioner of natural resources to restore habitat in the lower St. Louis River estuary. A list of proposed projects must be provided as part of the required accomplishment plan.

**(e) Coldwater Fish Habitat Enhancement - Phase IV**

\$2,120,000 in the second year is to the commissioner of natural resources for an agreement with Minnesota Trout Unlimited to restore and enhance coldwater fish lake, river, and stream habitats in Minnesota. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

**(f) Grand Marais Creek Outlet Restoration**

\$2,320,000 in the second year is to the commissioner of natural resources for an agreement with the Red Lake Watershed District to restore and enhance stream and related habitat in Grand Marais Creek. A list of proposed restorations and enhancements must be provided as part of the required accomplishment plan.

**(g) Knife River Habitat Restoration**

\$380,000 in the second year is to the commissioner of natural resources for an agreement with the Lake Superior Steelhead Association to restore trout habitat in the Upper Knife River Watershed. A list of proposed restorations must be provided as part of the required accomplishment plan. Notwithstanding rules of the commissioner of natural resources, restorations conducted pursuant to this paragraph may be accomplished by excavation.

**(h) Protect Aquatic Habitat from Asian Carp**

\$7,500,000 in the second year is to the commissioner of natural resources to design, construct, operate, and evaluate structural deterrents for Asian carp to protect Minnesota's aquatic habitat. Use of this money requires a one-to-one match for projects on state boundary waters.

**(i) Outdoor Heritage Conservation Partners Grant Program - Phase IV**

\$4,990,000 in the second year is to the commissioner of natural resources for a program to provide competitive, matching grants of up to \$400,000 to local, regional, state, and national organizations for enhancing, restoring, or protecting forests, wetlands, prairies, and habitat for fish, game, or wildlife in Minnesota. Grants shall not be made for activities required to fulfill the duties of owners of lands subject to conservation easements. Grants shall not be made from appropriations in this paragraph for projects that have a total project cost exceeding \$575,000. \$366,000 of this appropriation may be spent for personnel costs and other direct and necessary administrative costs. Grantees may acquire land or interests in land. Easements must be permanent. Land acquired in fee must be open to hunting and fishing during the open season unless otherwise provided by state law. The program shall require a

match of at least ten percent from nonstate sources for all grants. The match may be cash or in-kind resources. For grant applications of \$25,000 or less, the commissioner shall provide a separate, simplified application process. Subject to Minnesota Statutes, the commissioner of natural resources shall, when evaluating projects of equal value, give priority to organizations that have a history of receiving or charter to receive private contributions for local conservation or habitat projects. If acquiring land or a conservation easement, priority shall be given to projects associated with existing wildlife management areas under Minnesota Statutes, section 86A.05, subdivision 8; scientific and natural areas under Minnesota Statutes, sections 84.033 and 86A.05, subdivision 5; and aquatic management areas under Minnesota Statutes, sections 86A.05, subdivision 14, and 97C.02. All restoration or enhancement projects must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in Minnesota Statutes, section 103G.005, subdivision 15. Priority shall be given to restoration and enhancement projects on public lands. Minnesota Statutes, section 97A.056, subdivision 13, applies to grants awarded under this paragraph. This appropriation is available until June 30, 2016. No less than five percent of the amount of each grant must be held back from reimbursement until the grant recipient has completed a grant accomplishment report by the deadline and in the form prescribed by and satisfactory to the Lessard-Sams Outdoor Heritage Council. The commissioner shall provide notice of the grant program in the game and fish law summaries that are prepared under Minnesota Statutes, section 97A.051, subdivision 2.

**Subd. 6. Administration**

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220,000

**(a) Contract Management**

\$175,000 in the second year is to the commissioner of natural resources for contract management duties assigned in this section. The commissioner shall provide a work program in the form specified by the Lessard-Sams Outdoor Heritage Council on the expenditure of this appropriation. No money may be expended prior to Lessard-Sams Outdoor Heritage Council approval of the work program.

**(b) Technical Evaluation Panel**

\$45,000 in the second year is to the commissioner of natural resources for a technical evaluation panel to conduct up to ten restoration evaluations under Minnesota Statutes, section 97A.056, subdivision 10.

**Subd. 7. Availability of Appropriation**

Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for a specific appropriation and are specified in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for a specific appropriation. Unless otherwise provided, the amounts in this section are available until June 30, 2015, when projects must be completed and final accomplishments reported. Funds for restoration or enhancement are available until June 30, 2017, or four years after acquisition, whichever is later, in order to complete initial restoration or enhancement work. If a project receives federal funds, the time period of the appropriation is extended to equal the availability of federal funding. Funds appropriated for fee title acquisition of land may be used to restore, enhance, and provide for public use of the land acquired with the appropriation. Public use facilities must have a minimal impact on habitat in acquired lands. If the purchase price for a fee title acquisition funded with an appropriation in this article falls below the estimated purchase price contained in the approved accomplishment plan and no other acquisitions are listed in the approved accomplishment plan, the difference between the purchase price and the estimated purchase price is canceled for the project and added to the appropriation under subdivision 5, paragraph (h).

**Subd. 8. Payment Conditions and Capital Equipment Expenditures**

All agreements referred to in this section must be administered on a reimbursement basis unless otherwise provided in this section. Notwithstanding Minnesota Statutes, section 16A.41, expenditures directly related to each appropriation's purpose made on or after July 1, 2012, or the date of accomplishment plan approval, whichever is later, are eligible for reimbursement unless otherwise provided in this section. Periodic reimbursement must be made upon receiving documentation that the items articulated in the accomplishment plan approved by the Lessard-Sams Outdoor Heritage Council have been achieved, including partial achievements as evidenced by progress reports approved by the Lessard-Sams Outdoor Heritage Council. Reasonable amounts may be advanced to projects to accommodate cash flow needs, support future management of acquired lands, or match a federal share. The advances must be approved as part of the accomplishment plan. Capital equipment expenditures for specific items in excess of \$10,000 must be itemized in and approved as part of the accomplishment plan.

Sec. 3. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 12. **Accomplishment plans.** It is a condition of acceptance of money appropriated from the outdoor heritage fund that the agency or entity using the appropriation submits an accomplishment plan and periodic accomplishment reports to the Lessard-Sams Outdoor Heritage Council in the form determined by the council. The accomplishment plan must identify the project manager responsible for expending the appropriation and the final product. The accomplishment plan must account for the use of the appropriation and outcomes of the expenditure in measures of wetlands, prairies, forests, and fish, game, and wildlife habitat restored, protected, and enhanced. The plan must include an evaluation of results. If lands are acquired by fee with money from the outdoor heritage fund, the accomplishment plan must include a hunting and fishing management plan for the lands acquired by fee. No money appropriated from the outdoor heritage fund may be expended unless the council has approved the pertinent accomplishment plan.

Sec. 4. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 13. **Project requirements.** (a) As a condition of accepting money appropriated from the outdoor heritage fund, an agency or entity receiving money from an appropriation must comply with this subdivision for any project funded in whole or in part with funds from the appropriation.

(b) All conservation easements acquired with money appropriated from the outdoor heritage fund must:

(1) be permanent;

(2) specify the parties to the easement;

(3) specify all of the provisions of an agreement that are permanent;

(4) specify the habitat types and location being protected;

(5) where appropriate for conservation or water protection outcomes, require the grantor to employ practices retaining water on the eased land as long as practicable;

(6) specify the responsibilities of the parties for habitat enhancement and restoration and the associated costs of these activities;

(7) be sent to the office of the Lessard-Sams Outdoor Heritage Council;

(8) include a long-term stewardship plan and identify the sources and amount of funding for monitoring and enforcing the easement agreement; and

(9) identify the parties responsible for monitoring and enforcing the easement agreement.

(c) For all restorations, a recipient must prepare and retain an ecological restoration and management plan that, to the degree practicable, is consistent with current conservation science and ecological goals for the restoration site. Consideration should be given to soil, geology, topography, and other relevant factors that would provide the best chance for long-term success and durability of the restoration. The plan must include the proposed timetable for implementing the restoration, including, but not limited to, site preparation, establishment of diverse plant species, maintenance, and additional enhancement to establish the restoration; identify long-term maintenance and management needs of the restoration and how the maintenance, management, and enhancement will be financed; and use current conservation science to achieve the best restoration.

(d) For new lands acquired, a recipient must prepare a restoration and management plan in compliance with paragraph (c), including identification of sufficient funding for implementation.

(e) To ensure public accountability for the use of public funds, a recipient must provide to the Lessard-Sams Outdoor Heritage Council documentation of the process used to select parcels acquired in fee or as permanent conservation easements and must provide the council with documentation of all related transaction costs, including, but not limited to, appraisals, legal fees, recording fees, commissions, other similar costs, and donations. This information must be provided for all parties involved in the transaction. The recipient must also report to the Lessard-Sams Outdoor Heritage Council any difference between the acquisition amount paid to the seller and the state-certified or state-reviewed appraisal, if a state-certified or state-reviewed appraisal was conducted. Acquisition data such as appraisals may remain private during negotiations but must ultimately be made public according to chapter 13.

(f) Except as otherwise provided in the appropriation, all restoration and enhancement projects funded with money appropriated from the outdoor heritage fund must be on land permanently protected by a conservation easement or public ownership or in public waters as defined in section 103G.005, subdivision 15.

(g) To the extent an appropriation is used to acquire an interest in real property, a recipient of an appropriation from the outdoor heritage fund must provide to the Lessard-Sams Outdoor Heritage Council and the commissioner of management and budget an analysis of increased operation and maintenance costs likely to be incurred by public entities as a result of the acquisition and of how the costs are to be paid.

(h) A recipient of money appropriated from the outdoor heritage fund must give consideration to and make timely written contact with Conservation Corps Minnesota for possible use of the corps' services to contract for restoration and enhancement services. A copy of the written contact must be filed with the Lessard-Sams Outdoor Heritage Council within 15 days of execution.

(i) A recipient of money appropriated from the outdoor heritage fund must erect signage according to Laws 2009, chapter 172, article 5, section 10.

Sec. 5. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 14. **Purchase of recycled and recyclable materials.** A political subdivision, public or private corporation, or other entity that receives money appropriated from the outdoor heritage fund must use the money in compliance with sections 16B.121, regarding purchase of recycled, repairable, and durable materials, and 16B.122, regarding purchase and use of paper stock and printing.

Sec. 6. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 15. **Land acquisition restrictions.** (a) An interest in real property, including, but not limited to, an easement or fee title, that is acquired with money appropriated from the outdoor heritage fund must be used in perpetuity or for the specific term of an easement interest for the purpose for which the appropriation was made. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation.

(b) A recipient of funding that acquires an interest in real property subject to this subdivision may not alter the intended use of the interest in real property or convey any interest in the real property acquired with the appropriation without the prior review and approval of the Lessard-Sams Outdoor Heritage Council or its successor. The council shall notify the chairs and ranking minority members of the legislative committees and divisions with

jurisdiction over the outdoor heritage fund at least 15 business days before approval under this paragraph. The council shall establish procedures to review requests from recipients to alter the use of or convey an interest in real property. These procedures shall allow for the replacement of the interest in real property with another interest in real property meeting the following criteria:

(1) the interest must be at least equal in fair market value, as certified by the commissioner of natural resources, to the interest being replaced; and

(2) the interest must be in a reasonably equivalent location and have a reasonably equivalent useful conservation purpose compared to the interest being replaced, taking into consideration all effects from fragmentation of the whole habitat.

(c) A recipient of funding who acquires an interest in real property under paragraph (a) must separately record a notice of funding restrictions in the appropriate local government office where the conveyance of the interest in real property is filed. The notice of funding agreement must contain:

(1) a legal description of the interest in real property covered by the funding agreement;

(2) a reference to the underlying funding agreement;

(3) a reference to this section; and

(4) the following statement: "This interest in real property shall be administered in accordance with the terms, conditions, and purposes of the grant agreement controlling the acquisition of the property. The interest in real property, or any portion of the interest in real property, shall not be sold, transferred, pledged, or otherwise disposed of or further encumbered without obtaining the prior written approval of the Lessard-Sams Outdoor Heritage Council or its successor. The ownership of the interest in real property transfers to the state if: (1) the holder of the interest in real property fails to comply with the terms and conditions of the grant agreement or accomplishment plan; or (2) restrictions are placed on the land that preclude its use for the intended purpose as specified in the appropriation. "

Sec. 7. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 16. **Real property interest report.** (a) By December 1 each year, a recipient of money appropriated from the outdoor heritage fund that is used for the acquisition of an interest in real property, including, but not limited to, an easement or fee title, must submit annual reports on the status of the real property to the Lessard-Sams Outdoor Heritage Council or its successor in a form determined by the council. If lands are acquired by fee with money from the outdoor heritage fund, the real property interest report must include a verification of the status of the hunting and fishing management plan for the lands acquired by fee. The responsibility for reporting under this subdivision may be transferred by the recipient of the appropriation to another person or entity that holds the interest in the real property. To complete the transfer of reporting responsibility, the recipient of the appropriation must:

(1) inform the person to whom the responsibility is transferred of that person's reporting responsibility;

(2) inform the person to whom the responsibility is transferred of the property restrictions under subdivision 15; and

(3) provide written notice to the council of the transfer of reporting responsibility, including contact information for the person to whom the responsibility is transferred.

(b) After the transfer, the person or entity that holds the interest in the real property is responsible for reporting requirements under this subdivision.

Sec. 8. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 17. **Easement monitoring and enforcement requirements.** Money appropriated from the outdoor heritage fund for easement monitoring and enforcement may be spent only on activities included in an easement monitoring and enforcement plan contained within the accomplishment plan. Money received for monitoring and enforcement, including earnings on the money received, shall be kept in a monitoring and enforcement fund held by the organization and is appropriated for monitoring and enforcing conservation easements in the state. Within 120 days after the close of the entity's fiscal year, an entity receiving appropriations for easement monitoring and enforcement must provide an annual financial report to the Lessard-Sams Outdoor Heritage Council on the easement monitoring and enforcement fund as specified in the accomplishment plan. Money appropriated from the outdoor heritage fund for monitoring and enforcement of easements and earnings on the money appropriated shall revert to the state if:

(1) the easement transfers to the state under subdivision 15;

(2) the holder of the easement fails to file an annual report and then fails to cure that default within 30 days of notification of the default by the state; or

(3) the holder of the easement fails to comply with the terms of the monitoring and enforcement plan contained within the accomplishment plan and fails to cure that default within 90 days of notification of the default by the state.

Sec. 9. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 18. **Successor organizations.** The Lessard-Sams Outdoor Heritage Council may approve the continuation of a project with an organization that has adopted a new name. Continuation of a project with an organization that has undergone a significant change in mission, structure, or purpose requires:

(1) notice to the chairs of the legislative committees and divisions with jurisdiction over the outdoor heritage fund; and

(2) presentation by the council of proposed legislation either ratifying or rejecting continued involvement with the new organization.

Sec. 10. Minnesota Statutes 2010, section 97A.056, is amended by adding a subdivision to read:

Subd. 19. **Fee title acquisition; open season.** (a) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the state must be open to the public taking of fish and game during the open season, unless otherwise provided by state law.

(b) Lands acquired by fee with money appropriated from the outdoor heritage fund that are held by the U.S. Fish and Wildlife Service must be open to the public taking of fish and game during the open season according to the National Wildlife Refuge System Improvement Act, United States Code, title 16, section 668dd, et seq.

(c) Except as provided in paragraph (b), lands acquired by fee with money appropriated from the outdoor heritage fund that are held by a nonstate entity must be open to the public taking of fish and game during the open season, unless otherwise prescribed by the commissioner of natural resources.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2009.

Sec. 11. **LEGACY FUNDING REQUIREMENTS APPLY.**

Each direct recipient of money appropriated in this article, as well as each recipient of a grant awarded pursuant to this article, must satisfy all reporting and other requirements incumbent upon legacy funding recipients as provided in Laws 2011, First Special Session chapter 6, article 5.

ARTICLE 2  
CLEAN WATER FUND

Section 1. Minnesota Statutes 2011 Supplement, section 114D.30, subdivision 4, is amended to read:

Subd. 4. **Terms; compensation; removal.** The terms of members representing the state agencies and the Metropolitan Council are four years and are coterminous with the governor. The terms of other nonlegislative members of the council shall be as provided in section 15.059, subdivision 2. Members may serve until their successors are appointed and qualify. Compensation and removal of nonlegislative council members is as provided in section 15.059, subdivisions 3 and 4. Compensation of legislative members is as determined by the appointing authority. The Pollution Control Agency may reimburse legislative members for expenses. A vacancy on the council may be filled by the appointing authority provided in subdivision 1 for the remainder of the unexpired term.

Sec. 2. Laws 2009, chapter 172, article 2, section 4, as amended by Laws 2010, chapter 361, article 2, section 2, and Laws 2011, First Special Session chapter 6, article 2, section 23, is amended to read:

Sec. 4. **POLLUTION CONTROL AGENCY** **\$24,076,000** **\$27,630,000**

(a) \$9,000,000 the first year and \$9,000,000 the second year are to develop total maximum daily load (TMDL) studies and TMDL implementation plans for waters listed on the United States Environmental Protection Agency approved impaired waters list in accordance with Minnesota Statutes, chapter 114D. The agency shall complete an average of ten percent of the TMDLs each year over the biennium. Of this amount, \$348,000 the first year is to retest the comprehensive assessment of the biological conditions of the lower Minnesota River and its tributaries within the Lower Minnesota River Major Watershed, as previously assessed from 1976 to 1992 under the Minnesota River Assessment Project (MRAP). The assessment must include the same fish species sampling at the same 116 locations and the same macroinvertebrate sampling at the same 41 locations as the MRAP assessment. The assessment must:

- (1) include an analysis of the findings; and
- (2) identify factors that limit aquatic life in the Minnesota River.

Of this amount, \$250,000 the first year is for a pilot project for the development of total maximum daily load (TMDL) studies conducted on a watershed basis within the Buffalo River watershed in order to protect, enhance, and restore water quality in lakes, rivers, and streams. The pilot project shall include all necessary field work to develop TMDL studies for all impaired subwatersheds within the Buffalo River watershed and provide

information necessary to complete reports for most of the remaining watersheds, including analysis of water quality data, identification of sources of water quality degradation and stressors, load allocation development, development of reports that provide protection plans for subwatersheds that meet water quality standards, and development of reports that provide information necessary to complete TMDL studies for subwatersheds that do not meet water quality standards, but are not listed as impaired.

(b) \$500,000 the first year is for development of an enhanced TMDL database to manage and track progress. Of this amount, \$63,000 the first year is to promulgate rules. By November 1, 2010, the commissioner shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over environment and natural resources finance on the outcomes achieved with this appropriation.

(c) \$1,500,000 the first year and \$3,169,000 the second year are for grants under Minnesota Statutes, section 116.195, to political subdivisions for up to 50 percent of the costs to predesign, design, and implement capital projects that use storm water or treated municipal wastewater instead of groundwater from drinking water aquifers, in order to demonstrate the beneficial use of wastewater or storm water, including the conservation and protection of water resources. Of this amount, \$1,000,000 the first year is for grants to ethanol plants that are within one and one-half miles of a city for improvements that use storm water or reuse ~~greater than 300,000 gallons of wastewater per day~~. This appropriation is available until June 30, 2016.

(d) \$1,125,000 the first year and \$1,125,000 the second year are for groundwater assessment and drinking water protection to include:

(1) the installation and sampling of at least 30 new monitoring wells;

(2) the analysis of samples from at least 40 shallow monitoring wells each year for the presence of endocrine disrupting compounds; and

(3) the completion of at least four to five groundwater models for TMDL and watershed plans.

(e) \$2,500,000 the first year is for the clean water partnership program. Priority shall be given to projects preventing impairments and degradation of lakes, rivers, streams, and groundwater in accordance with Minnesota Statutes, section 114D.20, subdivision 2, clause (4). Any balance remaining in the first year does not cancel and is available for the second year.

(f) \$896,000 the first year is to establish a network of water monitoring sites, to include at least 20 additional sites, in public waters adjacent to wastewater treatment facilities across the state to assess levels of endocrine-disrupting compounds, antibiotic compounds, and pharmaceuticals as required in this article. The data must be placed on the agency's Web site.

(g) \$155,000 the first year is to provide notification of the potential for coal tar contamination, establish a storm water pond inventory schedule, and develop best management practices for treating and cleaning up contaminated sediments as required in this article. \$490,000 the second year is to provide grants to local units of government for up to 50 percent of the costs to implement best management practices to treat or clean up contaminated sediments in storm water ponds and other waters as defined under this article. Local governments must have adopted an ordinance for the restricted use of undiluted coal tar sealants in order to be eligible for a grant, unless a statewide restriction has been implemented. A grant awarded under this paragraph must not exceed \$100,000. Up to \$145,000 of the appropriation in the second year may be used to complete work required under section 28, paragraph (c).

(h) \$350,000 the first year and \$600,000 the second year are for a restoration project in the lower St. Louis River and Duluth harbor in order to improve water quality. This appropriation must be matched by nonstate money at a rate of at least \$2 for every \$1 of state money.

(i) \$150,000 the first year and \$196,000 the second year are for grants to the Red River Watershed Management Board to enhance and expand existing river watch activities in the Red River of the North. The Red River Watershed Management Board shall provide a report that includes formal evaluation results from the river watch program to the commissioners of education and the Pollution Control Agency and to the legislative natural resources finance and policy committees and K-12 finance and policy committees by February 15, 2011.

(j) \$200,000 the first year and \$300,000 the second year are for coordination with the state of Wisconsin and the National Park Service on comprehensive water monitoring and phosphorus reduction activities in the Lake St. Croix portion of the St. Croix River. The Pollution Control Agency shall work with the St. Croix Basin Water Resources Planning Team and the St. Croix River Association in implementing the water monitoring and phosphorus reduction activities. This appropriation is available to the extent matched by nonstate sources. Money not matched by November 15, 2010, cancels for this purpose and is available for the purposes of paragraph (a).

(k) \$7,500,000 the first year and \$7,500,000 the second year are for completion of 20 percent of the needed statewide assessments of surface water quality and trends. Of this amount, \$175,000 the first year and \$200,000 the second year are for monitoring and analyzing endocrine disruptors in surface waters.

(l) \$100,000 the first year and \$150,000 the second year are for civic engagement in TMDL development. The agency shall develop a plan for expenditures under this paragraph. The agency shall give consideration to civic engagement proposals from basin or sub-basin organizations, including the Mississippi Headwaters Board, the Minnesota River Joint Powers Board, Area II Minnesota River Basin Projects, and the Red River Basin Commission. By November 15, 2009, the plan shall be submitted to the house and senate chairs and ranking minority members of the environmental finance divisions.

(m) \$5,000,000 the second year is for groundwater protection or prevention of groundwater degradation activities. By January 15, 2010, the commissioner, in consultation with the commissioner of natural resources, the Board of Water and Soil Resources, and other agencies, shall submit a report to the chairs of the house of representatives and senate committees with jurisdiction over the clean water fund on the intended use of these funds. The legislature must approve expenditure of these funds by law.

Notwithstanding Minnesota Statutes, section 16A.28, the appropriations encumbered on or before June 30, 2011, as grants or contracts in this section are available until June 30, 2013.

Sec. 3. Laws 2011, First Special Session chapter 6, article 2, section 7, is amended to read:

Sec. 7. <b>BOARD OF WATER AND SOIL RESOURCES</b>	<b>\$27,534,000</b>	<b><del>\$27,534,000</del></b>
		<b><u>31,734,000</u></b>

(a) \$13,750,000 the first year and ~~\$13,750,000~~ \$15,350,000 the second year are for pollution reduction and restoration grants to local government units and joint powers organizations of local government units to protect surface water and drinking water; to keep water on the land; to protect, enhance, and restore water quality in lakes, rivers, and streams; and to protect groundwater and drinking water, including feedlot water quality and subsurface sewage treatment system (SSTS) projects and stream bank, stream channel, and shoreline restoration projects. The projects must be of long-lasting public benefit, include a match, and be consistent with TMDL implementation plans or local water management plans.

(b) \$3,000,000 the first year and ~~\$3,000,000~~ \$3,600,000 the second year are for targeted local resource protection and enhancement grants. The board shall give priority consideration to projects and practices that complement, supplement, or exceed current state

standards for protection, enhancement, and restoration of water quality in lakes, rivers, and streams or that protect groundwater from degradation. Of this amount, at least \$1,500,000 each year is for county SSTS implementation.

(c) \$900,000 the first year and ~~\$900,000~~ \$1,200,000 the second year are to provide state oversight and accountability, evaluate results, and develop an electronic system to measure and track the value of conservation program implementation by local governments, including submission to the legislature by March 1 each year an annual report prepared by the board, in consultation with the commissioners of natural resources, health, agriculture, and the Pollution Control Agency, detailing the recipients and projects funded under this section. The board shall require grantees to specify the outcomes that will be achieved by the grants prior to any grant awards.

(d) \$1,000,000 the first year and ~~\$1,000,000~~ \$1,700,000 the second year are for technical assistance and grants for the conservation drainage program in consultation with the Drainage Work Group, created under Minnesota Statutes, section 103B.101, subdivision 13, ~~that consists of projects to to facilitate the installation of conservation practices on drainage systems that will result in water quality improvements and evaluate the outcomes of these installations. retrofit existing drainage systems with water quality improvement practices, evaluate outcomes, and provide outreach to landowners, public drainage authorities, drainage engineers and contractors, and others.~~ The board shall coordinate practice standards with the Natural Resources Conservation Service of the United States Department of Agriculture and seek to leverage federal funds as part of conservation drainage program implementation.

(e) \$6,000,000 the first year and \$6,000,000 the second year are to purchase and restore permanent conservation easements on riparian buffers adjacent to public waters, excluding wetlands, to keep water on the land in order to decrease sediment, pollutant, and nutrient transport; reduce hydrologic impacts to surface waters; and increase infiltration for groundwater recharge. The riparian buffers must be at least 50 feet unless there is a natural impediment, a road, or other impediment beyond the control of the landowner. This appropriation may be used for restoration of riparian buffers protected by easements purchased with this appropriation and for stream bank restorations when the riparian buffers have been restored.

(f) \$1,300,000 the first year and ~~\$1,300,000~~ \$2,300,000 the second year are for permanent conservation easements on wellhead protection areas under Minnesota Statutes, section 103F.515, subdivision 2, paragraph (d). Priority must be placed on land that is located where the vulnerability of the drinking water supply is

designated as high or very high by the commissioner of health. The board shall coordinate with the United States Geological Survey, the commissioners of health and natural resources, and local communities contained in the Decorah and St. Lawrence Edge areas of Winona, Goodhue, Olmsted, and Wabasha Counties to obtain easements in identified areas as having the most vulnerability to groundwater contamination.

(g) \$1,500,000 the first year and \$1,500,000 the second year are for community partners grants to local units of government for: (1) structural or vegetative management practices that reduce storm water runoff from developed or disturbed lands to reduce the movement of sediment, nutrients, and pollutants for restoration, protection, or enhancement of water quality in lakes, rivers, and streams and to protect groundwater and drinking water; and (2) installation of proven and effective water retention practices including, but not limited to, rain gardens and other vegetated infiltration basins and sediment control basins in order to keep water on the land. The projects must be of long-lasting public benefit, include a local match, and be consistent with TMDL implementation plans or local water management plans. Local government unit staff and administration costs may be used as a match.

(h) \$84,000 the first year and \$84,000 the second year are for a technical evaluation panel to conduct up to ten restoration evaluations under Minnesota Statutes, section 114D.50, subdivision 6.

(i) The board shall contract for services with Conservation Corps Minnesota for restoration, maintenance, and other activities under this section for \$500,000 the first year and \$500,000 the second year.

(j) The board may shift grant or cost-share funds in this section and may adjust the technical and administrative assistance portion of the funds to leverage federal or other nonstate funds or to address oversight responsibilities or high-priority needs identified in local water management plans.

(k) The appropriations in this section are available until June 30, 2016.

#### Sec. 4. **AQUATIC INVASIVE SPECIES COOPERATIVE RESEARCH CENTER; APPROPRIATION.**

\$1,800,000 is appropriated in fiscal year 2013 from the clean water fund to the Board of Regents of the University of Minnesota to develop and implement an Aquatic Invasive Species Cooperative Research Center, including equipment and facility development. As a condition of receiving this appropriation, the University of Minnesota is requested to collaborate with the commissioner of natural resources in developing solutions to control aquatic invasive species. A portion of this appropriation may be used for educating and engaging citizens on preventing the spread of aquatic invasive species. Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for the purposes of this section. Money appropriated in this section

must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for the purposes of this section. This is a onetime appropriation and is available until June 30, 2018. Minnesota Statutes, section 116P.10, applies to this appropriation. For the purpose of this appropriation, the term "fund" means the clean water fund and the term "commission" means the Clean Water Council as used in Minnesota Statutes, section 116P.10.

Sec. 5. **LEGACY FUNDING REQUIREMENTS APPLY.**

All appropriations in this article are onetime and are subject to the requirements and availability provisions provided under Laws 2011, First Special Session chapter 6, articles 2 and 5. Each direct recipient of money appropriated in this article, as well as each recipient of a grant awarded pursuant to this article, must satisfy all reporting and other requirements incumbent upon legacy funding recipients as provided in Laws 2011, First Special Session chapter 6, articles 2 and 5.

ARTICLE 3  
PARKS AND TRAILS FUND

Section 1. Minnesota Statutes 2010, section 85.535, subdivision 3, is amended to read:

Subd. 3. **Match Grant amount.** ~~Recipients must provide a nonstate cash match of at least 25 percent of the total eligible project costs~~ A grant amount is not subject to a maximum grant award limitation. Additional consideration shall be given to applicants who provide a nonstate cash match.

Sec. 2. Laws 2009, chapter 172, article 3, section 3, is amended to read:

Sec. 3. <b>METROPOLITAN COUNCIL</b>	<b>\$12,641,000</b>	<b>\$15,140,000</b>
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(a) \$12,641,000 the first year and \$15,140,000 the second year are from the parks and trails fund to be distributed as required under new Minnesota Statutes, section 85.535, subdivision 3, except that of this amount, \$40,000 the first year is for a grant to Hennepin County to plant trees along the Victory Memorial Parkway. For acquisition of an interest in real property, appropriations under this section are available until June 30, 2013.

(b) The Metropolitan Council shall submit a report on the expenditure and use of money appropriated under this section to the legislature as provided in Minnesota Statutes, section 3.195, by March 1 of each year. The report must detail the outcomes in terms of additional use of parks and trails resources, user satisfaction surveys, and other appropriate outcomes.

(c) Grant agreements entered into by the Metropolitan Council and recipients of money appropriated under this section shall ensure that the funds are used to supplement and not substitute for traditional sources of funding.

(d) The implementing agencies receiving appropriations under this section shall give consideration to contracting with the Minnesota Conservation Corps for contract restoration, maintenance, and other activities.

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

ARTICLE 4  
ENVIRONMENT AND NATURAL RESOURCE TRUST FUND

Section 1. Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 4, is amended to read:

Subd. 4. <b>Land, Habitat, and Recreation</b>	14,629,000	<del>13,755,000</del> <u>12,755,000</u>
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Summary by Fund

Environment and natural resources trust fund	13,879,000	<del>13,755,000</del> <u>12,755,000</u>	
State land and water conservation account (LAWCON)	750,000	-0-	

**(a) State Park and Recreation Area Operations and Improvements**

\$1,877,000 the first year and \$1,750,000 the second year are from the trust fund to the commissioner of natural resources for state park and recreation area operations and improvements, including activities directly related to and necessary for this appropriation. This appropriation is not subject to Minnesota Statutes, sections 116P.05, subdivision 2, paragraph (b), and 116P.09, subdivision 4.

**(b) State Parks and Trails Land Acquisition**

\$1,500,000 the first year and \$1,500,000 the second year are from the trust fund to the commissioner of natural resources to acquire state trails and critical parcels within the statutory boundaries of state parks. State park land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. A list of proposed acquisitions must be provided as part of the required work program. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(c) Metropolitan Regional Park System Acquisition**

\$1,125,000 the first year and \$1,125,000 the second year are from the trust fund to the Metropolitan Council for grants for the acquisition of lands within the approved park unit boundaries of the metropolitan regional park system. This appropriation may not be used for the purchase of residential structures. A list of proposed fee title and easement acquisitions must be provided as part of the required work program. This appropriation must be matched by at least 40 percent of nonstate money and must be committed by December 31, 2011, or the appropriation cancels.

This appropriation is available until June 30, 2014, at which time the project must be completed and final products delivered, unless an earlier date is specified in the work program.

**(d) Regional Park, Trail, and Connection Acquisition and Development Grants**

\$1,000,000 the first year and \$1,000,000 the second year are from the trust fund to the commissioner of natural resources to provide matching grants to local units of government for acquisition and development of regional parks, regional trails, and trail connections. The local match required for a grant to acquire a regional park or regional outdoor recreation area is two dollars of nonstate money for each three dollars of state money. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(e) Scientific and Natural Area Acquisition and Restoration**

\$820,000 the first year and \$820,000 the second year are from the trust fund to the commissioner of natural resources to acquire lands with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5, restore parts of scientific and natural areas, and provide technical assistance and outreach. A list of proposed acquisitions must be provided as part of the required work program. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(f) La Salle Lake State Recreation Area Acquisition**

\$1,000,000 the first year ~~and \$1,000,000 the second year are~~ is from the trust fund to the commissioner of natural resources for an agreement with The Trust for Public Land to acquire ~~approximately 190 acres~~ land to be designated as a state recreation area as provided in Minnesota Statutes, section 86A.05, subdivision 3, on La Salle Lake adjacent to the upper Mississippi River. If this acquisition is not completed by July 15, 2012, then the appropriation is available to the Department of Natural Resources for other state park and recreation area acquisitions on the priority list. Up to \$10,000 may be retained by the Department of Natural Resources at the request of The Trust for Public Land for transaction costs, associated professional services, and restoration needs.

**(g) Minnesota River Valley Green Corridor Scientific and Natural Area Acquisition**

\$1,000,000 the first year and \$1,000,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with the Redwood Area Communities Foundation to acquire lands with high-quality native plant communities and rare features to be established as scientific and natural areas as provided in Minnesota Statutes, section 86A.05, subdivision 5. A list of proposed acquisitions must be provided as part of the required work program. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Up to \$54,000 may be retained by the Department of Natural Resources at the request of the Redwood Area Communities Foundation for transaction costs, associated professional services, and restoration needs. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(h) Native Prairie Stewardship and Native Prairie Bank Acquisition**

\$500,000 the first year and \$500,000 the second year are from the trust fund to the commissioner of natural resources to acquire native prairie bank easements, prepare baseline property assessments, restore and enhance native prairie sites, and provide technical assistance to landowners. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(i) Metropolitan Conservation Corridors (MeCC) - Phase VI**

\$1,737,000 the first year and \$1,738,000 the second year are from the trust fund to the commissioner of natural resources for the acceleration of agency programs and cooperative agreements. Of this appropriation, \$150,000 the first year and \$150,000 the second year are to the commissioner of natural resources for agency programs and \$3,175,000 is for the agreements as follows: \$100,000 the first year and \$100,000 the second year with Friends of the Mississippi River; \$517,000 the first year and \$518,000 the second year with Dakota County; \$200,000 the first year and \$200,000 the second year with Great River Greening; \$220,000 the first year and \$220,000 the second year with Minnesota Land Trust; \$300,000 the first year and \$300,000 the second year with Minnesota Valley National Wildlife Refuge Trust, Inc.; and \$250,000 the first year and \$250,000 the second year with The Trust for Public Land for planning, restoring, and protecting priority natural areas in the metropolitan area, as defined under Minnesota Statutes, section 473.121, subdivision 2, and portions of the surrounding counties, through contracted services, technical

assistance, conservation easements, and fee title acquisition. Land acquired with this appropriation must be sufficiently improved to meet at least minimum management standards, as determined by the commissioner of natural resources. Expenditures are limited to the identified project corridor areas as defined in the work program. This appropriation may not be used for the purchase of habitable residential structures, unless expressly approved in the work program. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work program. An entity that acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Money appropriated from the trust fund for easement acquisition may be used to establish a monitoring, management, and enforcement fund as approved in the work program. An annual financial report is required for any monitoring, management, and enforcement fund established, including expenditures from the fund. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(j) Habitat Conservation Partnership (HCP) - Phase VII**

\$1,737,000 the first year and \$1,738,000 the second year are from the trust fund to the commissioner of natural resources for the acceleration of agency programs and cooperative agreements. Of this appropriation, \$125,000 the first year and \$125,000 the second year are to the commissioner of natural resources for agency programs and \$3,225,000 is for agreements as follows: \$637,000 the first year and \$638,000 the second year with Ducks Unlimited, Inc.; \$38,000 the first year and \$37,000 the second year with Friends of Detroit Lakes Wetland Management District; \$25,000 the first year and \$25,000 the second year with Leech Lake Band of Ojibwe; \$225,000 the first year and \$225,000 the second year with Minnesota Land Trust; \$200,000 the first year and \$200,000 the second year with Minnesota Valley National Wildlife Refuge Trust, Inc.; \$242,000 the first year and \$243,000 the second year with Pheasants Forever, Inc.; and \$245,000 the first year and \$245,000 the second year with The Trust for Public Land to plan, restore, and acquire fragmented landscape corridors that connect areas of quality habitat to sustain fish, wildlife, and plants. The United States Department of Agriculture, Natural Resources Conservation Service, is an authorized cooperating partner in the appropriation. Expenditures are limited to the project corridor areas as defined in the work program. Land acquired with this appropriation must be sufficiently improved to meet at least

minimum habitat and facility management standards, as determined by the commissioner of natural resources. This appropriation may not be used for the purchase of habitable residential structures, unless expressly approved in the work program. All conservation easements must be perpetual and have a natural resource management plan. Any land acquired in fee title by the commissioner of natural resources with money from this appropriation must be designated as an outdoor recreation unit under Minnesota Statutes, section 86A.07. The commissioner may similarly designate any lands acquired in less than fee title. A list of proposed restorations and fee title and easement acquisitions must be provided as part of the required work program. An entity who acquires a conservation easement with appropriations from the trust fund must have a long-term stewardship plan for the easement and a fund established for monitoring and enforcing the agreement. Money appropriated from the trust fund for easement acquisition may be used to establish a monitoring, management, and enforcement fund as approved in the work program. An annual financial report is required for any monitoring, management, and enforcement fund established, including expenditures from the fund. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(k) Natural and Scenic Area Acquisition Grants**

\$500,000 the first year and \$500,000 the second year are from the trust fund to the commissioner of natural resources to provide matching grants to local governments for acquisition of natural and scenic areas, as provided in Minnesota Statutes, section 85.019, subdivision 4a. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(l) Acceleration of Minnesota Conservation Assistance**

\$313,000 the first year and \$312,000 the second year are from the trust fund to the Board of Water and Soil Resources to provide grants to soil and water conservation districts to provide technical assistance to secure enrollment and retention of private lands in federal and state programs for conservation.

**(m) Conservation Easement Stewardship and Enforcement Program - Phase II**

\$250,000 the first year and \$250,000 the second year are from the trust fund to the commissioner of natural resources to accelerate the implementation of the Phase I Conservation Easement Stewardship Plan being developed with an appropriation from Laws 2008, chapter 367, section 2, subdivision 5, paragraph (h).

**(n) Recovery of At-Risk Native Prairie Species**

\$73,000 the first year and \$74,000 the second year are from the trust fund to the Board of Water and Soil Resources for an agreement with the Martin County Soil and Water Conservation District to collect, propagate, and plant declining, at-risk native species on protected habitat and to enhance private market sources for local ecotype native seed. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(o) Understanding Threats, Genetic Diversity, and Conservation Options for Wild Rice**

\$97,000 the first year and \$98,000 the second year are from the trust fund to the Board of Regents of the University of Minnesota to research the genetic diversity of wild rice population throughout Minnesota for use in related conservation and restoration efforts. This appropriation is contingent upon demonstration of review and cooperation with the Native American tribal nations in Minnesota. Equipment purchased with this appropriation must be available for future publicly funded projects at no charge except for typical operating expenses. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(p) Southeast Minnesota Stream Restoration**

\$125,000 the first year and \$125,000 the second year are from the trust fund to the commissioner of natural resources for an agreement with Trout Unlimited to restore at least four miles of riparian corridor for trout and nongame species in southeast Minnesota and increase local capacities to implement stream restoration through training and technical assistance. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(q) Restoration Strategies for Ditched Peatland Scientific and Natural Areas**

\$100,000 the first year and \$100,000 the second year are from the trust fund to the commissioner of natural resources to evaluate the hydrology and habitat of the Winter Road Lake peatland watershed protection area to determine the effects of ditch abandonment and examine the potential for restoration of patterned peatlands. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

**(r) Northeast Minnesota White Cedar Plant Community Restoration**

\$125,000 for the first year and \$125,000 the second year are from the trust fund to the Board of Water and Soil Resources to assess the decline of northern white cedar plant communities in northeast Minnesota, prioritize cedar sites for restoration, and provide cedar restoration training to local units of government.

**(s) Land and Water Conservation Account (LAWCON) Federal Reimbursement**

\$750,000 is from the state land and water conservation account (LAWCON) in the natural resources fund to the commissioner of natural resources for priorities established by the commissioner for eligible state projects and administrative and planning activities consistent with Minnesota Statutes, section 116P.14, and the federal Land and Water Conservation Fund Act. This appropriation is available until June 30, 2014, by which time the project must be completed and final products delivered.

Sec. 2. Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 9, is amended to read:

Subd. 9. <b>Emerging Issues</b>	4,522,000	<del>4,213,000</del> <u>3,213,000</u>
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**(a) Minnesota Conservation Apprentice Academy**

\$100,000 the first year and \$100,000 the second year are from the trust fund to the Board of Water and Soil Resources in cooperation with Conservation Corps Minnesota to train and mentor future conservation professionals by providing apprenticeship service opportunities to soil and water conservation districts. This appropriation is available until June 30, 2014, by which time the project must be completed and the final products delivered.

**(b) Chronic Wasting Disease and Animal Health**

\$600,000 the first year and \$600,000 the second year are from the trust fund to the commissioner of natural resources to address chronic wasting disease and accelerate wildlife health programs, including activities directly related to and necessary for this appropriation.

**(c) Aquatic Invasive Species**

\$2,177,000 the first year and ~~\$3,513,000~~ \$2,513,000 the second year are from the trust fund to the commissioner of natural resources to accelerate aquatic invasive species programs, including the development and implementation of best management practices for public water access facilities to

implement aquatic invasive species prevention strategies, including activities directly related to and necessary for this appropriation. \$50,000 is for a grant to develop and produce a documentary identifying the challenges presented by aquatic invasive species. The documentary shall be available to the Department of Natural Resources to distribute to watercraft license purchasers and the general public through online and other media.

**(d) Reinvest in Minnesota Wetlands Reserve Acquisition and Restoration Program Partnership**

\$1,645,000 the first year is to the Board of Water and Soil Resources to acquire permanent conservation easements and restore wetlands and associated upland habitat in cooperation with the United States Department of Agriculture Wetlands Reserve Program. A list of proposed land acquisitions must be provided as part of the required work program.

**(e) Limitation**

Appropriations in paragraphs (b) and (c) are not subject to Minnesota Statutes, sections 116P.05, subdivision 2, paragraph (b), and 116P.09, subdivision 4.

**Sec. 3. AQUATIC INVASIVE SPECIES COOPERATIVE RESEARCH CENTER; APPROPRIATION.**

\$2,000,000 is appropriated in fiscal year 2013 from the environment and natural resources trust fund to the Board of Regents of the University of Minnesota to develop and implement an Aquatic Invasive Species Cooperative Research Center, including equipment and facility development. As a condition of receiving this appropriation, the University of Minnesota is requested to collaborate with the commissioner of natural resources in developing solutions to control aquatic invasive species. Money appropriated in this section may not be spent on activities unless they are directly related to and necessary for the purposes of this section. Money appropriated in this section must not be spent on indirect costs or other institutional overhead charges that are not directly related to and necessary for the purposes of this section. This is a onetime appropriation and is available until June 30, 2018.

ARTICLE 5  
ARTS AND CULTURAL HERITAGE FUND

Section 1. Minnesota Statutes 2010, section 16B.98, subdivision 5, is amended to read:

Subd. 5. **Creation and validity of grant agreements.** (a) A grant agreement is not valid and the state is not bound by the grant unless:

- (1) the grant has been executed by the head of the agency or a delegate who is party to the grant; ~~and~~
- (2) the accounting system shows an encumbrance for the amount of the grant in accordance with policy approved by the commissioner; ~~;~~ and
- (3) the grant agreement includes an effective date that references either section 16C.05, subdivision 2, or 16B.98, subdivisions 5 and 7, as determined by the granting agency.

(b) The combined grant agreement and amendments must not exceed five years without specific, written approval by the commissioner according to established policy, procedures, and standards, or unless the commissioner determines that a longer duration is in the best interest of the state.

(c) A fully executed copy of the grant agreement with all amendments and other required records relating to the grant must be kept on file at the granting agency for a time equal to that required of grantees in subdivision 8.

(d) Grant agreements must comply with policies established by the commissioner for minimum grant agreement standards and practices.

(e) The attorney general may periodically review and evaluate a sample of state agency grants to ensure compliance with applicable laws.

Sec. 2. Minnesota Statutes 2010, section 16B.98, subdivision 7, is amended to read:

Subd. 7. **Grant payments.** Payments to the grantee may not be issued until the grant agreement is fully executed. Encumbrances for grants issued by June 30 may be certified for a period of one year beyond the year in which the funds were originally appropriated as provided by section 16A.28, subdivision 6.

Sec. 3. Minnesota Statutes 2010, section 116U.26, is amended to read:

#### **116U.26 FILM PRODUCTION JOBS PROGRAM.**

(a) The film production jobs program is created. The program shall be operated by the Minnesota Film and TV Board with administrative oversight and control by the ~~director of Explore Minnesota Tourism~~ commissioner of administration. The program shall make payment to producers of feature films, national television or Internet programs, documentaries, music videos, and commercials that directly create new film jobs in Minnesota. To be eligible for a payment, a producer must submit documentation to the Minnesota Film and TV Board of expenditures for production costs incurred in Minnesota that are directly attributable to the production in Minnesota of a film product.

The Minnesota Film and TV Board shall make recommendations to the ~~director of Explore Minnesota Tourism~~ commissioner of administration about program payment, but the ~~director~~ commissioner has the authority to make the final determination on payments. The ~~director's~~ commissioner's determination must be based on proper documentation of eligible production costs submitted for payments. No more than five percent of the funds appropriated for the program in any year may be expended for administration.

(b) For the purposes of this section:

(1) "production costs" means the cost of the following:

(i) a story and scenario to be used for a film;

(ii) salaries of talent, management, and labor, including payments to personal services corporations for the services of a performing artist;

(iii) set construction and operations, wardrobe, accessories, and related services;

(iv) photography, sound synchronization, lighting, and related services;

(v) editing and related services;

(vi) rental of facilities and equipment; or

(vii) other direct costs of producing the film in accordance with generally accepted entertainment industry practice; and

(2) "film" means a feature film, television or Internet show, documentary, music video, or television commercial, whether on film, video, or digital media. Film does not include news, current events, public programming, or a program that includes weather or market reports; a talk show; a production with respect to a questionnaire or contest; a sports event or sports activity; a gala presentation or awards show; a finished production that solicits funds; or a production for which the production company is required under United States Code, title 18, section 2257, to maintain records with respect to a performer portrayed in a single-media or multimedia program.

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to 20 percent of film production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur production costs in excess of \$5,000,000 in the metropolitan area within a 12-month period; or (2) up to 15 percent of film production costs for films that incur production costs of \$5,000,000 or less in the metropolitan area within a 12-month period.

Sec. 4. Laws 2011, First Special Session chapter 6, article 4, section 2, subdivision 5, is amended to read:

Subd. 5. <b>Minnesota Historical Society</b>	12,050,000	<del>12,050,000</del>
		<u>12,950,000</u>

These amounts are appropriated to the governing board of the Minnesota Historical Society to preserve and enhance access to Minnesota's history and its cultural and historical resources. Grant agreements entered into by the Minnesota Historical Society and other recipients of appropriations in this subdivision shall ensure that these funds are used to supplement and not substitute for traditional sources of funding. Funds directly appropriated to the Minnesota Historical Society shall be used to supplement, and not substitute for, traditional sources of funding. Notwithstanding Minnesota Statutes, section 16A.28, for historic preservation projects that improve historic structures, the amounts are available until June 30, 2015.

**Statewide Historic and Cultural Grants.** \$5,250,000 the first year and ~~\$5,250,000~~ \$5,450,000 the second year are for history programs and projects operated or conducted by or through local, county, regional, or other historical or cultural organizations; or for activities to preserve significant historic and cultural resources. Funds are to be distributed through a competitive grants process. The Minnesota Historical Society shall administer these funds using established grants mechanisms, with assistance from the advisory committee created under Laws 2009, chapter 172, article 4, section 2, subdivision 4, paragraph (b), item (ii).

**Programs.** \$4,800,000 the first year and ~~\$4,800,000~~ \$5,200,000 the second year are for programs and purposes related to the historical and cultural heritage of the state of Minnesota, conducted by the Minnesota Historical Society.

**History Partnerships.** \$1,500,000 the first year and ~~\$1,500,000~~ \$1,700,000 the second year are for partnerships involving multiple organizations, which may include the Minnesota Historical Society, to preserve and enhance access to Minnesota's history and cultural heritage in all regions of the state.

**Statewide Survey of Historical and Archaeological Sites.** \$250,000 the first year and \$250,000 the second year are for a contract or contracts to be let on a competitive basis to conduct statewide surveys of Minnesota's sites of historical, archaeological, and cultural significance. Results of this survey must be published in a searchable form, available to the public on a cost-free basis. The Minnesota Historical Society, the Office of the State Archaeologist, and the Indian Affairs Council shall each appoint a representative to an oversight board to select contractors and direct the conduct of these surveys. The oversight board shall consult with the Departments of Transportation and Natural Resources.

**Digital Library.** \$250,000 the first year and \$250,000 the second year are for a digital library project to preserve, digitize, and share Minnesota images, documents, and historical materials. The Minnesota Historical Society shall cooperate with the Minitex interlibrary loan system and shall jointly share this appropriation for these purposes.

**Commemoration Activities.** \$100,000 the second year is for activities that commemorate the sesquicentennial of the American Civil War and the Dakota Conflict, as recommended by the Civil War Commemoration Task Force established in Executive Order 11-15 (2011).

Sec. 5. **COMMEMORATION PROGRAMMING; APPROPRIATION.**

\$80,000 is appropriated in fiscal year 2013 from the arts and cultural heritage fund to the commissioner of administration for grants to public broadcasting organizations to develop programming that commemorates the sesquicentennial. Of this appropriation, \$50,000 is for grants to the Minnesota Public Television Association and \$30,000 is for public radio grants.

Sec. 6. **FILM PRODUCTION INCENTIVE PROGRAM; APPROPRIATION.**

\$600,000 is appropriated in fiscal year 2013 from the arts and cultural heritage fund to the commissioner of administration for a grant to the Minnesota Film and TV Board for a new competitive film production incentive program. The Minnesota Film and TV Board in consultation with Independent Feature Project/Minnesota shall reimburse film producers for eligible production costs incurred to produce a film or documentary in Minnesota. Eligible production costs are expenditures incurred in Minnesota that are directly attributable to the production of a film or documentary in Minnesota. Eligible production costs include talent, management, labor, set construction and operation, wardrobe, sound synchronization, lighting, editing, rental facilities and equipment, and other direct costs of producing a film or documentary in accordance with generally accepted entertainment industry practices. A producer must agree, to the greatest extent possible, to procure all eligible production inputs in Minnesota. A producer must submit proper documentation of eligible production costs incurred. The commissioner of administration may use up to one percent of this appropriation for grant administration.

Sec. 7. **HISTORICAL RULEMAKING WEB SITE; APPROPRIATION.**

\$35,000 is appropriated in fiscal year 2013 from the arts and cultural heritage fund to the revisor of statutes to design and implement a Web site to provide the public searchable access to historical documents relating to state agency rulemaking. It is anticipated that the revisor of statutes will match this appropriation from carryforward funds and that the revisor will use the carryforward funds to design and implement a Web site that will provide the public searchable access to future state agency rulemaking documents.

Sec. 8. **LEGACY FUNDING REQUIREMENTS APPLY.**

All appropriations in this article are onetime and are subject to the requirements and availability provisions provided under Laws 2011, First Special Session chapter 6, articles 4 and 5. Each direct recipient of money appropriated in this article, as well as each recipient of a grant awarded pursuant to this article, must satisfy all reporting and other requirements incumbent upon legacy funding recipients as provided in Laws 2011, First Special Session chapter 6, articles 4 and 5.

ARTICLE 6  
GENERAL

Section 1. Minnesota Statutes 2011 Supplement, section 3.303, subdivision 10, is amended to read:

Subd. 10. **Constitutionally dedicated funding accountability.** (a) The Legislative Coordinating Commission shall develop and maintain a user-friendly, public-oriented Web site that informs, educates, and demonstrates to the public how the constitutionally dedicated funds in the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and environment and natural resources trust fund are being expended to meet the requirements established for each fund in the state constitution. Information provided on the Web site must include, but is not limited to:

(1) information on all project proposals received by the Outdoor Heritage Council and the Legislative-Citizen Commission on Minnesota Resources;

(2) information on all projects receiving funding, including:

(i) the name of the project and a project description;

(ii) the name, telephone number, members of the board or equivalent governing body, and e-mail address of the funding recipient and, when applicable, the Web site address where the public can directly access detailed information on the recipient's receipt and use of money for the project;

(iii) the amount and source of funding, including the fiscal year of the appropriation;

(iv) the amount and source of any additional funding or leverage;

(v) the duration of the project;

(vi) the number of full-time equivalents funded under the project. For the purposes of this item, "full-time equivalent" means a position directly attributed to the receipt of money from one or more of the funds covered under this section, calculated as the total number of hours planned for the position divided by 2,088;

(vii) the direct expenses and administration costs of the project;

(viii) proposed measurable outcomes and the plan for measuring and evaluating the results;

(ix) for pass-through, noncompetitive grants, the entity acting as the fiscal agent or administering agency and a point of contact for additional information; and

(x) for competitive grants, the name and a brief description of the qualifications of all board members or members of an equivalent governing body ultimately responsible for awarding the grants, as well as any grant-making advisory group. In addition, an entity that awards competitive grants, including but not limited to a state agency or any statewide, regional, or local organization, must report whether an employee, decision maker, advisory group member, or other person involved in the grant process disclosed a conflict of interest or potential conflict of interest. If the entity reports that a conflict of interest or potential conflict of interest was disclosed, the entity must provide the Legislative Coordinating Commission with a contact person for additional information and the Legislative Coordinating Commission must post this information on the Web site. An entity that awards competitive grants must obtain and apply the conflict of interest policies developed by the commissioner of administration under section 16B.98, subdivision 3, unless the entity maintains and applies its own documented conflict of interest policies which are substantially similar to the commissioner of administration's policies;

(3) actual measured outcomes and evaluation of projects as required under sections 85.53, subdivision 2; 114D.50, subdivision 4; and 129D.17, subdivision 2;

(4) education about the areas and issues the projects address, including, when feasible, maps of where projects have been undertaken;

(5) all frameworks developed for future uses of each fund; and

(6) methods by which members of the public may apply for project funds under any of the constitutionally dedicated funds.

Information that could be used to identify, contact, or locate an individual minor shall be withheld from the information required for the Web site.

(b) As soon as practicable or by January 15 of the applicable fiscal year, whichever comes first, a state agency or other recipient of a direct appropriation from a fund covered under this section shall submit the information required under paragraph (a) and, when applicable, compile and submit the same information for any grant recipient or other subrecipient of funding. All information for proposed and funded projects, including the proposed measurable outcomes, must be made available on the Web site as soon as practicable. Information on the measured outcomes and evaluation must be posted as soon as it becomes available. The costs of these activities shall be paid out of the arts and cultural heritage fund, outdoor heritage fund, clean water fund, parks and trails fund, and the environment and natural resources trust fund proportionately. For purposes of this section, "measurable outcomes" means outcomes, indicators, or other performance measures that may be quantified or otherwise measured in order to measure the effectiveness of a project or program in meeting its intended goal or purpose.

(c) The Legislative Coordinating Commission shall be responsible for receiving all ten-year plans and 25-year frameworks for each of the constitutionally dedicated funds. To the extent practicable, staff for the commission shall provide assistance and oversight to these planning efforts and shall coordinate public access to hearings and public meetings for all planning efforts."

Delete the title and insert:

"A bill for an act relating to natural resources; appropriating money from the outdoor heritage fund, clean water fund, arts and cultural heritage fund, and environment and natural resources trust fund; modifying requirements for outdoor heritage fund appropriations; appropriating money for an Aquatic Invasive Species Cooperative Research Center; modifying prior appropriations; modifying certain parks and trails grant program provisions; changing

provisions of grant management; changing control and oversight of the film production jobs program to the commissioner of administration; amending Minnesota Statutes 2010, sections 16B.98, subdivisions 5, 7; 85.535, subdivision 3; 97A.056, by adding subdivisions; 116U.26; Minnesota Statutes 2011 Supplement, sections 3.303, subdivision 10; 114D.30, subdivision 4; Laws 2009, chapter 172, article 2, section 4, as amended; article 3, section 3; Laws 2011, First Special Session chapter 2, article 3, section 2, subdivisions 4, 9; Laws 2011, First Special Session chapter 6, article 2, section 7; article 4, section 2, subdivision 5."

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

Senate Conferees: BILL G. INGEBRIGTSEN, JOHN J. CARLSON and TOM SAXHAUG.

House Conferees: DEAN URDAHL, DENNY MCNAMARA and LEON LILLIE.

Speaker pro tempore Anderson, S., called Davids to the Chair.

Urdahl moved that the report of the Conference Committee on S. F. No. 2493 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

Speaker pro tempore Davids called Garofalo to the Chair.

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

The question recurred on the Urdahl motion and the roll was called. There were 85 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abeler	Davids	Hilstrom	Liebling	Murray	Swedzinski
Anderson, D.	Dean	Hoppe	Lillie	Myhra	Thissen
Anderson, P.	Dettmer	Hortman	Loon	Nelson	Tillberry
Anderson, S.	Dill	Hosch	Mack	Nornes	Torkelson
Anzelc	Dittrich	Howes	Mariani	Norton	Urdahl
Atkins	Doepke	Huntley	Marquart	O'Driscoll	Vogel
Banaian	Eken	Johnson	Mazorol	Pelowski	Wagenius
Barrett	Erickson	Kath	McElpatrick	Poppe	Ward
Beard	Fabian	Kelly	McFarlane	Sanders	Westrom
Benson, J.	Fritz	Kiel	McNamara	Schomacker	Spk. Zellers
Benson, M.	Gauthier	Knuth	Melin	Shimanski	
Brynaert	Greiling	Kriesel	Morrow	Simon	
Cornish	Gunther	Lanning	Mullery	Slawik	
Crawford	Hackbarth	LeMieur	Murdock	Smith	
Daudt	Hamilton	Lesch	Murphy, M.	Stensrud	

Those who voted in the negative were:

Allen	Downey	Hansen	Laine	Murphy, E.	Scalze
Anderson, B.	Drazkowski	Hausman	Leidiger	Paymar	Scott
Bills	Falk	Hilty	Lenczewski	Peppin	Slocum
Buesgens	Franson	Holberg	Loeffler	Persell	Wardlow
Carlson	Garofalo	Hornstein	Lohmer	Petersen, B.	Winkler
Champion	Greene	Kahn	Mahoney	Quam	Woodard
Clark	Gruenhagen	Kieffer	McDonald	Rukavina	
Davnie	Hancock	Kiffmeyer	Moran	Runbeck	

The motion prevailed.

S. F. No. 2493, A bill for an act relating to natural resources; appropriating money from the outdoor heritage fund; modifying requirements for outdoor heritage fund appropriations; appropriating money for clean water; appropriating money for an Aquatic Invasive Species Cooperative Research Center; modifying prior appropriations; modifying certain parks and trails grant program provisions; amending Minnesota Statutes 2010, sections 85.535, subdivision 3; 97A.056, by adding subdivisions; Laws 2009, chapter 172, article 3, section 3; Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 9; Laws 2011, First Special Session chapter 6, article 2, section 7.

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 75 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Hilstrom	Liebling	Murphy, M.	Simon
Anderson, D.	Dauids	Hoppe	Lillie	Murray	Stensrud
Anderson, P.	Dill	Hornstein	Loon	Myhra	Swedzinski
Anderson, S.	Dittrich	Hortman	Marquart	Nelson	Thissen
Anzelc	Doepke	Hosch	Mazorol	Nornes	Torkelson
Atkins	Eken	Howes	McElfatrick	Norton	Urdahl
Banaian	Fabian	Huntley	McFarlane	O'Driscoll	Vogel
Barrett	Falk	Kath	McNamara	Paymar	Wagenius
Beard	Fritz	Kiel	Melin	Pelowski	Ward
Brynaert	Gauthier	Knuth	Moran	Persell	Westrom
Buesgens	Gunther	Kriesel	Morrow	Poppe	
Carlson	Hackbarth	Lanning	Mullery	Sanders	
Cornish	Hamilton	LeMieur	Murdock	Schomacker	

Those who voted in the negative were:

Allen	Dettmer	Hansen	Leidiger	Peppin	Smith
Anderson, B.	Downey	Hausman	Lenczewski	Petersen, B.	Tillberry
Benson, J.	Drazkowski	Hilty	Lesch	Quam	Wardlow
Benson, M.	Erickson	Holberg	Loeffler	Rukavina	Winkler
Bills	Franson	Johnson	Lohmer	Runbeck	Woodard
Champion	Garofalo	Kahn	Mack	Scalze	Spk. Zellers
Clark	Greene	Kelly	Mahoney	Scott	
Daudt	Greiling	Kieffer	Mariani	Shimanski	
Davnie	Gruenhagen	Kiffmeyer	McDonald	Slawik	
Dean	Hancock	Laine	Murphy, E.	Slocum	

The bill was repassed, as amended by Conference, 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 H. F. No. 2555:

Kiffmeyer, Peppin and Nelson.

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

## FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 1284.

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

Beard moved to amend H. F. No. 1284, the fourth engrossment, as follows:

Page 10, after line 19, insert:

"Sec. 15. Minnesota Statutes 2011 Supplement, section 162.12, subdivision 1, is amended to read:

Subdivision 1. **Estimate of accruals; allocation.** (a) By December 15 of each year the commissioner shall estimate the amount of money that will be available to the municipal state-aid street fund during that fiscal year. The amount available is based on actual receipts from July 1 through October 31, the unallocated fund balance, and the projected receipts for the remainder of the fiscal year. ~~The total available, except for deductions as provided herein, shall be apportioned by the commissioner to the cities having a population of 5,000 or more as hereinafter provided.~~

(b) The apportionment sum distributed under section 162.13, subdivision 1, equals the total amount available as annually estimated under paragraph (a), less:

(1) the deductions as provided in this section;

(2) any allocation made under section 162.125; and

(3) any debt service payment identified for a statutory or home rule charter city that is only eligible for municipal state-aid street funds under section 162.18, subdivision 4.

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

Sec. 16. Minnesota Statutes 2010, section 162.13, subdivision 1, is amended to read:

Subdivision 1. **Factors in formula.** ~~After deducting for administrative costs and for the disaster fund and research account as heretofore provided, and for any allocation made under section 162.125, the remainder of the total sum provided for in subdivision 1 of section 162.12 shall be identified as~~ The apportionment sum, ~~and as specified in section 162.12, subdivision 1,~~ shall be apportioned by the commissioner to the cities having a population of 5,000 or more, in accordance with the following formula:

(1) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its money needs bears to the total money needs of all such cities.

(2) An amount equal to 50 percent of such apportionment sum shall be apportioned among the cities having a population of 5,000 or more so that each such city shall receive of such amount the percentage that its population bears to the total population of all such cities.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Paymar, Beard and Hornstein moved to amend H. F. No. 1284, the fourth engrossment, as amended, as follows:

Page 11, after line 29, insert:

"Sec. 17. 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. 18. 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."

Page 14, after line 22, insert:

"Sec. 20. 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 15, after line 29, insert:

"Sec. 23. 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 15, after line 34, insert:

"Sec. 25. 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."

Page 16, after line 13, insert:

"Sec. 27. 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. 28. 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 20, delete section 27 and insert:

"Sec. 35. 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 under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

Sec. 36. 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. 37. 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. 38. 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. 39. 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; and

(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. 40. 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 28, after line 15, 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."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McDonald; Gruenhagen; Crawford; LeMieur; Hamilton; Kath; Benson, M.; Kriesel; Moran; Buesgens; Persell; Gauthier; Mariani; Drazkowski; Anderson, B.; Falk; Kiffmeyer; Abeler; Davids; Knuth; Lillie; Wardlow; Hoppe; Anzelc; Melin; Murray; Lohmer; Kahn; Slawik; Holberg; Hackbarth; Downey; Fabian; Fritz; Urdahl; Allen; Atkins; Johnson; Mack; Banaian; Greiling; Carlson; Mullery; Hosch; Leidiger; Vogel; Bills; Dettmer; Rukavina; Nornes; Smith; Lesch; Murdock; Sanders; Woodard; Daudt; Zellers; Westrom; Tillberry; Dill; Morrow; Dean; Lanning; Peterson, B., Eken; Myhra; Quam; Stensrud; Dittrich; Franson and Peppin moved to amend H. F. No. 1284, the fourth engrossment, as amended, as follows:

Page 23, after line 11, insert:

"Sec. 31. Minnesota Statutes 2010, section 169.79, subdivision 6, is amended to read:

Subd. 6. **Other motor vehicles.** If the motor vehicle is any kind of motor vehicle other than those provided for in subdivisions 2 to 4, one plate must be displayed ~~on the front and one~~ on the rear of the vehicle. The plate must be mounted on the rear bumper of the vehicle or on the back of the vehicle exterior in the place designed to hold a license plate."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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

Carlson moved to amend H. F. No. 1284, the fourth engrossment, as amended, as follows:

Page 29, delete section 37

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Carlson amendment and the roll was called. There were 42 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Anzelc	Dittrich	Howes	Mahoney	Mullery	Poppe
Brynaert	Eken	Huntley	Marquart	Murphy, M.	Rukavina
Carlson	Falk	Kahn	Mazorol	Nelson	Thissen
Champion	Gauthier	Kath	McElfrick	Norton	Tillberry
Clark	Hilstrom	Lenczewski	Melin	Paymar	Urdahl
Davids	Hilty	Loeffler	Moran	Pelowski	Wagenius
Davnie	Hornstein	Lohmer	Morrow	Persell	Ward

Those who voted in the negative were:

Abeler	Crawford	Gunther	Kriesel	Murphy, E.	Slocum
Allen	Daudt	Hackbarth	Laine	Murray	Smith
Anderson, B.	Dean	Hamilton	Lanning	Myhra	Stensrud
Anderson, D.	Dettmer	Hancock	Leidiger	Nornes	Swedzinski
Anderson, P.	Dill	Hansen	LeMieur	O'Driscoll	Torkelson
Anderson, S.	Doepke	Hausman	Lesch	Peppin	Vogel
Atkins	Downey	Holberg	Liebling	Petersen, B.	Wardlow
Banaian	Drazkowski	Hoppe	Lillie	Quam	Westrom
Barrett	Fabian	Hortman	Loon	Runbeck	Winkler
Beard	Franson	Hosch	Mack	Sanders	Woodard
Benson, J.	Fritz	Johnson	Mariani	Scalze	Spk. Zellers
Benson, M.	Garofalo	Kelly	McDonald	Schomacker	
Bills	Greene	Kieffer	McFarlane	Scott	
Buesgens	Greiling	Kiel	McNamara	Shimanski	
Cornish	Gruenhagen	Kiffmeyer	Murdock	Simon	

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

Howes, Beard, Morrow and Hornstein moved to amend H. F. No. 1284, the fourth engrossment, as amended, as follows:

Page 42, after line 13, insert:

"Sec. 51. Minnesota Statutes 2010, section 574.26, subdivision 1a, is amended to read:

Subd. 1a. **Exemptions: certain manufacturers; commissioner of transportation; road maintenance.** (a) Sections 574.26 to 574.32 do not apply to a manufacturer of public transit buses that manufactures at least 100 public transit buses in a calendar year. For purposes of this section, "public transit bus" means a motor vehicle designed to transport people, with a design capacity for carrying more than 40 passengers, including the driver. The term "public transit bus" does not include a school bus, as defined in section 169.011, subdivision 71.

(b) At the discretion of the commissioner of transportation, sections 574.26 to 574.32 do not apply to any projects of the Department of Transportation (1) costing less than ~~\$75,000~~ the amount in section 471.345, subdivision 3, or (2) involving the permanent or semipermanent installation of heavy machinery, fixtures, or other capital equipment to be used primarily for maintenance or repair.

(c) Sections 574.26 to 574.32 do not apply to contracts for snow removal, ice removal, grading, or other similar routine road maintenance on town roads.

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

Sec. 52. Minnesota Statutes 2010, section 574.26, subdivision 2, is amended to read:

Subd. 2. **Terms.** Except as provided in sections 574.263 and 574.264 or if the amount of the contract is ~~\$75,000~~ or less than the amount in section 471.345, subdivision 3, a contract with a public body for the doing of any public work is not valid unless the contractor gives (1) a performance bond to the public body with whom the contractor entered into the contract, for the use and benefit of the public body to complete the contract according to its terms, and conditioned on saving the public body harmless from all costs and charges that may accrue on account of completing the specified work, and (2) a payment bond for the use and benefit of all persons furnishing labor and materials engaged under, or to perform the contract, conditioned for the payment, as they become due, of all just claims for the labor and materials. Reasonable attorneys' fees, costs, and disbursements may be awarded in an action to enforce claims under the act if the action is successfully maintained or successfully appealed.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Falk moved to amend H. F. No. 1284, the fourth engrossment, as amended, as follows:

Page 20, after line 4, insert:

"Sec. 26. Minnesota Statutes 2010, section 169.14, is amended by adding a subdivision to read:

Subd. 5g. **U.S. Highway 75.** The commissioner shall designate the maximum speed limit on U.S. Highway 75 as 60 miles per hour, except that the speed limit in rural residential districts or business districts shall not exceed the limit under subdivision 2, paragraph (a), clause (8). Any speed in excess of the speed designated in this subdivision is unlawful.

**EFFECTIVE DATE.** This section is effective on the date the commissioner erects appropriate signs designating the speed limit, which must occur on or before August 1, 2012."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

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

Swedzinski and Petersen, B., moved to amend H. F. No. 1284, the fourth engrossment, as amended, as follows:

Page 17, after line 9, insert:

"Sec. 24. Minnesota Statutes 2010, section 169.04, is amended to read:

**169.04 LOCAL AUTHORITY.**

(a) The provisions of this chapter shall not be deemed to prevent local authorities, with respect to streets and highways under their jurisdiction, and with the consent of the commissioner, with respect to state trunk highways, within the corporate limits of a municipality, or within the limits of a town in a county in this state now having or which may hereafter have, a population of 500,000 or more, and a land area of not more than 600 square miles, and within the reasonable exercise of the police power from:

(1) regulating the standing or parking of vehicles;

(2) regulating traffic by means of police officers or traffic-control signals;

(3) regulating or prohibiting processions or assemblages on the highways;

(4) designating particular highways as one-way roadways and requiring that all vehicles, except emergency vehicles, when on an emergency run, thereon be moved in one specific direction;

(5) designating any highway as a through highway and requiring that all vehicles stop before entering or crossing the same, or designating any intersection as a stop intersection, and requiring all vehicles to stop at one or more entrances to such intersections;

(6) restricting the use of highways as authorized in sections 169.80 to 169.88.

(b) No ordinance or regulation enacted under paragraph (a), clause (4), (5), or (6), shall be effective until signs giving notice of such local traffic regulations are posted upon and kept posted upon or at the entrance to the highway or part thereof affected as may be most appropriate.

(c) No ordinance or regulation enacted under paragraph (a), clause (3), or any other provision of law shall prohibit:

(1) the use of motorcycles or vehicles utilizing flashing red lights for the purpose of escorting funeral processions, oversize buildings, heavy equipment, parades or similar processions or assemblages on the highways; or

(2) the use of motorcycles or vehicles that are owned by the funeral home and that utilize flashing red lights for the purpose of escorting funeral processions.

(d) A local unit of government must not impose a criminal penalty by ordinance or regulation on a seller or purchaser based upon the method of purchase agreed to by the seller and purchaser for the retail sale of motor vehicle fuel."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Melin and Rukavina moved to amend H. F. No. 1284, the fourth engrossment, as amended, as follows:

Page 43, after line 14, insert:

"Sec. 54. **ST. LOUIS COUNTY; J-TURN PROHIBITION.**

The Department of Transportation may not construct a J-turn at the intersection of U.S. Highway 53 and County Highway 52 in Cotton Township in St. Louis County.

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

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Speaker pro tempore Garofalo called Loon to the Chair.

H. F. No. 1284, A bill for an act relating to transportation; modifying provisions governing transportation and public safety policies, including bicycles and bikeways, highways and bridges, motor vehicles, motor vehicle markings and equipment, traffic regulations, driver education, driver licensing, driver's license exemptions, DWI violations, alternative financing for transportation projects, contracting requirements, bus operations, railroads, motor carriers and commercial drivers, aeronautics and airports, and agency reporting; providing for rulemaking; removing obsolete language; making technical and clarifying changes; repealing certain provisions; appropriating money; amending Minnesota Statutes 2010, sections 85.015, by adding a subdivision; 85.018, subdivisions 2, 4; 160.263, subdivision 2; 160.845; 160.93, subdivisions 1, 2; 161.14, subdivision 66, by adding subdivisions; 161.321; 161.3212; 162.09, by adding a subdivision; 162.18, subdivisions 1, 4; 168.012, subdivision 1; 168.013, by adding a subdivision; 168B.011, subdivision 12; 169.011, subdivision 27; 169.035, subdivision 1, by adding a subdivision; 169.06, subdivisions 5, 7; 169.19, subdivision 5; 169.223, subdivision 5; 169.306; 169.64, subdivision 2; 169.685, subdivision 6; 169.86, subdivision 4; 169.99, subdivision 1b; 169A.54, subdivisions 1, 6; 171.03; 171.061, subdivision 4; 171.12, subdivision 6; 171.30, subdivision 1; 171.306, subdivision 4; 174.02, by adding a subdivision; 174.56; 221.0314, subdivision 3a; 222.50, subdivision 4; 222.51; 222.53; 222.63, subdivision 9; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 169.86, subdivision 5; 171.05, subdivision 2;

171.075, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 160; 171; repealing Minnesota Statutes 2010, sections 161.08, subdivision 2; 168.012, subdivision 1b; 169A.54, subdivision 5; 222.48, subdivision 3a.

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 121 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Brynaert	Dettmer	Lesch	Petersen, B.
Dean	Hilstrom	Lohmer	Thissen

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

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 2685.

H. F. No. 2685 was reported to the House.

Beard moved to amend H. F. No. 2685, the third engrossment, as follows:

Page 25, delete section 22

Page 26, delete sections 23 and 25

Page 27, delete sections 26 to 28

Pages 29 to 30, delete sections 30 to 31

Page 38, delete section 45

Page 52, delete section 69

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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

Hornstein moved to amend H. F. No. 2685, the third engrossment, as amended, follows:

Page 51, delete section 65

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hornstein amendment and the roll was called. There were 57 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Anzelc	Fritz	Hortman	Lillie	Murphy, M.	Slocum
Atkins	Gauthier	Hosch	Loeffler	Nelson	Swedzinski
Brynaert	Greene	Huntley	Mahoney	Norton	Thissen
Champion	Greiling	Johnson	Mariani	Paymar	Tillberry
Clark	Hamilton	Kahn	Marquart	Pelowski	Wagenius
Davnie	Hansen	Kath	Melin	Persell	Ward
Dill	Hausman	Laine	Moran	Poppe	Winkler
Dittrich	Hilstrom	Lenczewski	Morrow	Rukavina	
Eken	Hilty	Lesch	Mullery	Schomacker	
Falk	Hornstein	Liebling	Murphy, E.	Simon	

Those who voted in the negative were:

Abeler	Anderson, S.	Benson, J.	Carlson	Dauids	Downey
Anderson, B.	Banaian	Benson, M.	Cornish	Dean	Draskowski
Anderson, D.	Barrett	Bills	Crawford	Dettmer	Erickson
Anderson, P.	Beard	Buesgens	Daudt	Doepke	Fabian

Franson	Kelly	Lohmer	Murdock	Runbeck	Urdahl
Garofalo	Kieffer	Loon	Murray	Sanders	Vogel
Gruenhagen	Kiel	Mack	Myhra	Scalze	Wardlow
Gunther	Kiffmeyer	Mazorol	Nornes	Scott	Westrom
Hackbarth	Kriesel	McDonald	O'Driscoll	Shimanski	Woodard
Hancock	Lanning	McElfatrick	Peppin	Smith	Spk. Zellers
Hoppe	Leidiger	McFarlane	Petersen, B.	Stensrud	
Howes	LeMieur	McNamara	Quam	Torkelson	

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

Murphy, E., moved to amend H. F. No. 2685, the third engrossment, as amended, as follows:

Page 53, after line 17, insert:

"Sec. 53. **I-94 NOISE IMPACTS STAKEHOLDER GROUP.**

(a) The commissioner of transportation shall establish a noise impacts stakeholder group in conjunction with all trunk highway projects on marked Interstate Highway 94, at or near the interchange with marked Trunk Highway 280 in St. Paul, for which preliminary engineering or preliminary design commences prior to January 1, 2018.

(b) At a minimum, membership of the stakeholder group consists of Department of Transportation project team representatives and interested community stakeholders.

(c) As part of the project development process for any project identified under paragraph (a), the commissioner shall consult with the stakeholder group to provide background information and data on noise impacts, review practices and evaluate options for noise mitigation, and obtain recommendations from the stakeholder group for noise mitigation components of the project design."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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

Runbeck, Leidiger and McDonald moved to amend H. F. No. 2685, the third engrossment, as amended, as follows:

Page 50, after line 19, insert:

"Sec. 63. Minnesota Statutes 2010, section 473.4051, subdivision 2, is amended to read:

Subd. 2. **Operating costs.** (a) For any rail transit line that commences revenue operations on or before December 31, 2014, after operating revenue and federal money have been used to pay for light rail transit operations, 50 percent of the remaining operating costs must be paid by the state.

(b) For any light rail transit line that commences revenue operations on or after January 1, 2015, after operating revenue, federal money, and any grants for transit operations provided by the joint powers board under section 297A.992, have been used to pay for light rail transit operations, the remaining operating costs must be paid solely by those statutory and home rule charter cities through which the light rail transit line proceeds. The council shall establish criteria for allocating cost contributions among the affected cities."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

#### MOTION TO ADJOURN

Thissen moved that the House adjourn until 10:00 a.m., Friday, April 27, 2012.

A roll call was requested and properly seconded.

The question was taken on the Thissen motion and the roll was called. There were 59 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Hornstein	Lesch	Mullery	Poppe
Atkins	Falk	Hortman	Liebling	Murphy, E.	Rukavina
Benson, J.	Fritz	Hosch	Lillie	Murphy, M.	Scalze
Brynaert	Gauthier	Huntley	Loeffler	Nelson	Simon
Carlson	Greene	Johnson	Mahoney	Norton	Slocum
Champion	Greiling	Kahn	Mariani	O'Driscoll	Thissen
Clark	Hansen	Kath	Marquart	Paymar	Wagenius
Davnie	Hausman	Kieffer	Melin	Pelowski	Ward
Dill	Hilstrom	Laine	Moran	Peppin	Winkler
Dittrich	Hilty	Lenczewski	Morrow	Persell	

Those who voted in the negative were:

Abeler	Crawford	Gruenhagen	Lanning	Murray	Swedzinski
Anderson, B.	Daudt	Gunther	Leidiger	Myhra	Torkelson
Anderson, D.	Davids	Hackbarth	LeMieur	Nornes	Urdahl
Anderson, P.	Dean	Hamilton	Lohmer	Petersen, B.	Vogel
Anderson, S.	Dettmer	Hancock	Loon	Quam	Wardlow
Banaian	Doepke	Holberg	Mack	Runbeck	Westrom
Barrett	Downey	Hoppe	Mazorol	Sanders	Woodard
Beard	Drazkowski	Howes	McDonald	Schomacker	Spk. Zellers
Benson, M.	Erickson	Kelly	McElpatrick	Scott	
Bills	Fabian	Kiel	McFarlane	Shimanski	
Buesgens	Franson	Kiffmeyer	McNamara	Smith	
Cornish	Garofalo	Kriesel	Murdock	Stensrud	

The motion did not prevail.

## MOTION TO LAY ON THE TABLE

Morrow moved that H. F. No. 2685, as amended, be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Morrow motion and the roll was called. There were 56 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Anzelc	Eken	Hornstein	Liebling	Murphy, E.	Simon
Atkins	Falk	Hortman	Lillie	Murphy, M.	Slocum
Benson, J.	Fritz	Hosch	Loeffler	Nelson	Thissen
Brynaert	Gauthier	Huntley	Mahoney	Norton	Wagenius
Carlson	Greene	Johnson	Mariani	Paymar	Ward
Champion	Greiling	Kahn	Marquart	Pelowski	Winkler
Clark	Hansen	Kath	Melin	Persell	
Davnie	Hausman	Laine	Moran	Poppe	
Dill	Hilstrom	Lenczewski	Morrow	Rukavina	
Dittrich	Hilty	Lesch	Mullery	Scalze	

Those who voted in the negative were:

Abeler	Crawford	Gruenhagen	Kriesel	Murdock	Shimanski
Anderson, B.	Daudt	Gunther	Lanning	Murray	Smith
Anderson, D.	Davids	Hackbarth	Leidiger	Myhra	Stensrud
Anderson, P.	Dean	Hamilton	LeMieur	Nornes	Swedzinski
Anderson, S.	Dettmer	Hancock	Lohmer	O'Driscoll	Torkelson
Banaian	Doepke	Holberg	Loon	Peppin	Urdahl
Barrett	Downey	Hoppe	Mack	Petersen, B.	Vogel
Beard	Drazkowski	Howes	Mazorol	Quam	Wardlow
Benson, M.	Erickson	Kelly	McDonald	Runbeck	Westrom
Bills	Fabian	Kieffer	McElfrick	Sanders	Woodard
Buesgens	Franson	Kiel	McFarlane	Schomacker	Spk. Zellers
Cornish	Garofalo	Kiffmeyer	McNamara	Scott	

The motion did not prevail.

The question recurred on the Runbeck et al amendment and the roll was called. There were 35 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Buesgens	Drazkowski	Holberg	McDonald	Scott
Anderson, D.	Crawford	Erickson	Hoppe	Peppin	Swedzinski
Anderson, P.	Daudt	Franson	Kieffer	Petersen, B.	Wardlow
Anderson, S.	Dean	Gruenhagen	Kiffmeyer	Quam	Westrom
Barrett	Dettmer	Hackbarth	Leidiger	Runbeck	Woodard
Bills	Downey	Hamilton	Lohmer	Schomacker	

Those who voted in the negative were:

Abeler	Doepke	Hortman	Lillie	Murphy, E.	Simon
Anzelc	Eken	Hosch	Loeffler	Murphy, M.	Slocum
Atkins	Fabian	Howes	Loon	Murray	Smith
Banaian	Falk	Huntley	Mack	Myhra	Stensrud
Beard	Fritz	Johnson	Mahoney	Nelson	Thissen
Benson, J.	Garofalo	Kahn	Mariani	Nornes	Torkelson
Benson, M.	Gauthier	Kath	Marquart	Norton	Urdahl
Brynaert	Greene	Kelly	Mazorol	O'Driscoll	Vogel
Carlson	Greiling	Kiel	McElfrick	Paymar	Wagenius
Champion	Gunther	Kriesel	McFarlane	Pelowski	Ward
Clark	Hancock	Laine	McNamara	Persell	Winkler
Cornish	Hansen	Lanning	Melin	Poppe	Spk. Zellers
Davids	Hausman	LeMieur	Moran	Rukavina	
Davnie	Hilstrom	Lenczewski	Morrow	Sanders	
Dill	Hilty	Lesch	Mullery	Scalze	
Dittrich	Hornstein	Liebling	Murdock	Shimanski	

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

The Speaker resumed the Chair.

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, electric-assisted bicycles and related regulations, 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 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; 168.002, subdivisions 19, 20; 168.012, by adding a subdivision; 168.013, subdivision 3, by adding a subdivision; 168.185; 168A.01, by adding a subdivision; 168A.02, subdivision 3; 168A.03, subdivision 1; 168A.04, subdivision 1; 168A.05, subdivisions 1, 1a, 1b; 168A.07, subdivision 1; 168A.141, subdivision 1; 169.011, subdivisions 4, 27, 44, 45; 169.06, subdivision 4; 169.222, subdivisions 4, 6, 7, by adding subdivisions; 169.223, subdivisions 1, 5; 169.72, subdivision 1; 169.801, subdivision 10; 169.86, subdivision 3b; 169.872, subdivision 1a; 169.98, subdivisions 1, 3; 171.01, subdivision 41; 171.02, subdivision 2b; 174.03, subdivision 1b; 221.091, subdivision 2; 299D.085, subdivision 1, by adding a subdivision; 299D.09; 473.388, subdivisions 2, 4; 604A.21, subdivision 5; Minnesota Statutes 2011 Supplement, sections 168.12, subdivision 5; 168.123, subdivision 1; 171.075, subdivision 1; 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; 375; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

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 89 yeas and 38 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Fritz	Kriesel	Murray	Scalze
Anderson, B.	Daudt	Garofalo	Lanning	Myhra	Schomacker
Anderson, D.	Davids	Gruenhagen	Leidiger	Nelson	Scott
Anderson, P.	Dean	Gunther	LeMieur	Nornes	Shimanski
Anderson, S.	Dettmer	Hackbarth	Lohmer	Norton	Smith
Anzelc	Dill	Hamilton	Loon	O'Driscoll	Stensrud
Banaian	Dittrich	Hancock	Mack	Pelowski	Swedzinski
Barrett	Doepke	Holberg	Marquart	Peppin	Torkelson
Beard	Downey	Hoppe	Mazorol	Persell	Urdahl
Benson, J.	Drazkowski	Howes	McDonald	Petersen, B.	Vogel
Benson, M.	Eken	Kath	McElpatrick	Poppe	Wardlow
Bills	Erickson	Kelly	McFarlane	Quam	Westrom
Buesgens	Fabian	Kieffer	McNamara	Rukavina	Woodard
Champion	Falk	Kiel	Melin	Runbeck	Spk. Zellers
Cornish	Franson	Kiffmeyer	Murdock	Sanders	

Those who voted in the negative were:

Atkins	Greiling	Hosch	Liebling	Mullery	Wagenius
Brynaert	Hansen	Huntley	Lillie	Murphy, E.	Ward
Carlson	Hausman	Johnson	Loeffler	Murphy, M.	Winkler
Clark	Hilstrom	Kahn	Mahoney	Paymar	
Davnie	Hilty	Laine	Mariani	Simon	
Gauthier	Hornstein	Lenczewski	Moran	Slocum	
Greene	Hortman	Lesch	Morrow	Thissen	

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

#### FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Holberg announced her intention to place H. F. Nos. 1752 and 2172; S. F. Nos. 201 and 1653 on the Fiscal Calendar for Friday, April 27, 2012.

#### CALENDAR FOR THE DAY

Dean moved that the Calendar for the Day be continued. The motion prevailed.

#### MOTIONS AND RESOLUTIONS

Petersen, B., moved that the name of Erickson be added as an author on H. F. No. 1870. The motion prevailed.

O'Driscoll moved that the name of Loon be added as an author on H. F. No. 2244. The motion prevailed.

Buesgens moved that H. F. No. 2140 be recalled from the Committee on Commerce and Regulatory Reform and be re-referred to the Committee on Rules and Legislative Administration.

A roll call was requested and properly seconded.

#### LAY ON THE TABLE

Drazkowski moved that the Buesgens motion be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Drazkowski motion and the roll was called. There were 118 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bills	Downey	Gruenhagen	Petersen, B.	Wardlow
Buesgens	Franson	Peppin	Smith	

The motion prevailed.

#### ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 2:00 p.m., Friday, April 27, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:00 p.m., Friday, April 27, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

