

## STATE OF MINNESOTA

## EIGHTY-SEVENTH SESSION — 2011

## SIXTY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 20, 2011

The House of Representatives convened at 9:00 a.m. and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by the Reverend Grady St. Dennis, House Chaplain.

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

The roll was called and the following members were present:

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

A quorum was present.

Dill was excused until 8:00 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.

## PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

May 19, 2011

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

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. Nos. 235 and 299.

Sincerely,

MARK DAYTON  
Governor

STATE OF MINNESOTA  
OFFICE OF THE SECRETARY OF STATE  
ST. PAUL 55155

The Honorable Kurt Zellers  
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2011 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2011</i>	<i>Date Filed 2011</i>
	235	23	12:07 p.m. May 19	May 19
	299	24	12:45 p.m. May 19	May 19

Sincerely,

MARK RITCHIE  
Secretary of State

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Kelly and Simon introduced:

H. F. No. 1737, A bill for an act relating to elections; authorizing jurisdictions to adopt ranked-choice voting; establishing procedures for adoption, implementation, and use of ranked-choice voting; amending Minnesota Statutes 2010, sections 205.13, subdivision 2; 206.83; 206.89, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 206; proposing coding for new law as Minnesota Statutes, chapter 204E.

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

Howes introduced:

H. F. No. 1738, A bill for an act relating to local government; providing for detachment from a municipality; amending Minnesota Statutes 2010, section 414.06, subdivisions 1, 2, 3, by adding subdivisions.

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

Hayden introduced:

H. F. No. 1739, A bill for an act relating to housing; adding definitions; amending Minnesota Housing Finance Agency provisions; changing eligibility and selection criteria for agency funding; amending Minnesota Statutes 2010, sections 462A.03, by adding subdivisions; 462A.07, by adding subdivisions; 462A.209, subdivisions 1, 2, 3, 5.

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

Westrom and Franson introduced:

H. F. No. 1740, A bill for an act relating to capital improvements; appropriating money for flood hazard mitigation in Douglas County; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

Clark, Persell, Mariani, Gauthier, Hilty and Davnie introduced:

H. F. No. 1741, A bill for an act relating to state government; reestablishing the committees on American Indian education; amending Minnesota Statutes 2010, section 122A.09, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 124D.

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

Hayden introduced:

H. F. No. 1742, A bill for an act relating to residential mortgage loans; regulating special mortgage payoffs; modifying the independent loan counselor certification requirements; amending Minnesota Statutes 2010, section 58.13, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 58.

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

Laine introduced:

H. F. No. 1743, A bill for an act relating to insurance; specifying maximum financial reserves for nonprofit health plan companies; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Kath and Anderson, S., introduced:

H. F. No. 1744, A bill for an act relating to mortuary science; changing provisions for coroner or medical examiner duties; amending Minnesota Statutes 2010, sections 144.221, by adding a subdivision; 149A.01, subdivisions 3, 4; 149A.02, subdivisions 3, 5, 13a, 16, 19, 30, 36, by adding subdivisions; 149A.03; 149A.50, subdivisions 1, 2; 149A.52, subdivision 2; 149A.70, subdivision 6; 149A.71, subdivisions 2, 4; 149A.72, subdivision 2; 149A.80, subdivisions 2, 5, 6, 7; 149A.90; 149A.91, subdivisions 2, 3, 6; 149A.93, subdivisions 1, 2, 6, 7; 149A.94, subdivisions 1, 3; 149A.95, subdivisions 6, 7, 20; 149A.96, subdivisions 1, 4, 7; proposing coding for new law in Minnesota Statutes, chapter 306; repealing Minnesota Statutes 2010, section 149A.02, subdivision 29.

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

Poppe and Pelowski introduced:

H. F. No. 1745, A bill for an act relating to capital investment; appropriating money for the Hormel Institute; authorizing the sale and issuance of state bonds.

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

Mullery, Clark, Greiling and Kahn introduced:

H. F. No. 1746, A bill for an act relating to civil law; providing for civil union relationships; substituting civil union for marriage for purposes of Minnesota law; amending Minnesota Statutes 2010, sections 363A.27; 517.01; 517.02; 517.03; 517.07; 517.08; 517.10; 517.101; 517.20; proposing coding for new law in Minnesota Statutes, chapter 517; repealing Minnesota Statutes 2010, sections 517.04; 517.041; 517.05; 517.06; 517.09; 517.13; 517.14; 517.15; 517.16; 517.18.

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

Hackbarth introduced:

H. F. No. 1747, A bill for an act relating to gambling; authorizing the director of the State Lottery to establish gaming machines; imposing a tax on gaming machine revenue; providing powers and duties to the director; establishing a multi-stadium revenue fund and dedicating money in the fund for financing and construction of a stadium for the Minnesota Vikings and a ballpark for the St. Paul Saints; amending Minnesota Statutes 2010, sections 299L.07, subdivisions 2, 2a; 340A.410, subdivision 5; 349A.01, subdivision 10, by adding subdivisions; 349A.10, subdivision 3; 349A.13; 541.20; 541.21; 609.75, subdivision 3; 609.761, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 297A; 349A.

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

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.

**REPORT FROM THE COMMITTEE ON RULES  
AND LEGISLATIVE ADMINISTRATION**

Dean from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Supplemental Calendar for the Day for Friday, May 20, 2011:

H. F. No. 1068; S. F. No. 361; H. F. Nos. 745 and 637; and S. F. No. 1280.

Champion was excused between the hours of 11:25 a.m. and 12:40 p.m.

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1010, A bill for an act relating to state government; appropriating money for environment, natural resources, commerce, and energy; creating accounts; modifying disposition of certain receipts; modifying responsibilities and authorities; creating an advisory committee; modifying Petroleum Tank Release Cleanup Act; modifying cooperative electric association petition provisions; repealing definitions and requirements; requiring rulemaking on wild rice standards; amending Minnesota Statutes 2010, sections 85.052, subdivision 4; 89.21;

97A.055, by adding a subdivision; 97A.071, subdivision 2; 97A.075; 103G.271, subdivision 6; 103G.301, subdivision 2; 103G.615, subdivision 2; 115A.1314; 115A.1320, subdivision 1; 115C.09, subdivision 3c; 115C.13; 116P.04, by adding a subdivision; 116P.05, subdivision 2; 216B.026, subdivision 1; 290.431; 290.432; 357.021, subdivision 7; proposing coding for new law in Minnesota Statutes, chapters 16E; 84; 89; 97A; 103G; repealing Minnesota Statutes 2010, sections 84.02, subdivisions 1, 2, 3, 4, 5, 6, 7, 8; 84.027, subdivision 11; 116P.09, subdivision 4; 116P.14.

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

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1101, A bill for an act relating to higher education; amending postsecondary education provisions; requiring reports; changing Minnesota college savings plan matching grants; making technical changes; modifying definitions; setting requirements for credit transfer; providing stable undergraduate tuition rates; modifying achieve scholarship program; modifying contract and salary provisions; prohibiting use of certain public funds to support human cloning; requiring a study of graduate education in for-profit sector; repealing certain provisions related to equipment and apparel; appropriating money; amending Minnesota Statutes 2010, sections 15A.081, subdivision 7c; 135A.51, subdivision 2; 136A.121, subdivision 6; 136F.40, subdivision 2; 136G.01; 136G.03, subdivisions 1, 18, 27; 136G.05, subdivisions 1, 6, 8; proposing coding for new law in Minnesota Statutes, chapters 136F; 137; 145; repealing Minnesota Statutes 2010, sections 135A.26; 136G.11, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10; 181.986; Laws 2009, chapter 95, article 2, section 39.

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

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1140, A bill for an act relating to government finance; appropriating money for transportation, Metropolitan Council, and public safety activities and programs; providing for fund transfers and tort claims; authorizing an account and certain contingent appropriations; providing for use of revenues from metropolitan transportation area sales tax; reducing funding for 2010 state road construction; authorizing temporary transfers from metropolitan livable communities fund accounts, right-of-way loan acquisition fund for transit operating deficits, and Metropolitan Council operating budget; establishing direct appropriation from transit assistance fund; establishing an account; modifying various provisions related to transportation finance and policy; modifying provisions related to licensing drivers; mandating and amending legislative reports; making technical and clarifying changes; amending Minnesota Statutes 2010, sections 16A.11, subdivision 3a; 16A.86, subdivision 3a; 16A.88;

162.06, subdivision 1; 162.12, subdivision 1; 168.12, subdivision 5; 171.06, subdivision 2; 171.0701; 171.13, subdivision 1, by adding a subdivision; 174.93; 297A.992, subdivision 5, by adding a subdivision; Laws 2009, chapter 36, article 1, section 3, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 171.

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:

H. F. No. 895, A bill for an act relating to commerce; modifying certain insurance notices and authorizations to collect information; regulating certain insurance appraisers; amending Minnesota Statutes 2010, sections 60C.21, subdivision 1; 65A.12, subdivision 2; 72A.491, by adding a subdivision; 72A.501, subdivision 1, by adding a subdivision; 72A.502, subdivision 1.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 8, A Senate concurrent resolution relating to adjournment of the Senate and House of Representatives until 2012.

CAL R. LUDEMAN, Secretary of the Senate

Senate Concurrent Resolution No. 8 was referred to the Committee on Rules and Legislative Administration.

Mr. Speaker:

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

S. F. No. 509.

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

The Conference Committee report on S. F. No. 509 was reported to the House.

Kiffmeyer moved that the report of the Conference Committee on S. F. No. 509 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

Atkins moved that the Conference Committee report on S. F. No. 509 be laid over. The motion did not prevail.

Thissen moved to postpone the consideration of the Conference Committee report on S. F. No. 509 to 12:00 noon, Saturday May 21, 2011. The motion prevailed.

Mr. Speaker:

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

S. F. No. 172.

CAL R. LUDEMAN, Secretary of the Senate

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

S. F. No. 172, A bill for an act relating to natural resources; modifying certain requirements for titling watercraft; amending Minnesota Statutes 2010, sections 86B.825, subdivision 3; 86B.830, subdivision 2; 86B.850, subdivision 1; 86B.885; repealing Minnesota Statutes 2010, section 86B.850, subdivision 2.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.

### **CALENDAR FOR THE DAY**

H. F. No. 264 was reported to the House.

Atkins offered an amendment to H. F. No. 264, the first engrossment.

### **POINT OF ORDER**

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

Atkins offered an amendment to H. F. No. 264, the first engrossment.

## POINT OF ORDER

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

## POINT OF ORDER

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

Atkins moved to amend H. F. No. 264, the first engrossment, as follows:

Page 2, line 9, delete everything after "food" and insert a period

Page 2, delete lines 10 and 11

A roll call was requested and properly seconded.

The question was taken on the Atkins amendment and the roll was called. There were 57 yeas and 74 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Urdahl moved to amend H. F. No. 264, the first engrossment, as follows:

Page 2, line 10, after "knowing" delete the comma and insert "and" and delete ", and reckless"

A roll call was requested and properly seconded.

The question was taken on the Urdahl amendment and the roll was called. There were 70 yeas and 62 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion prevailed and the amendment was adopted.

Persell moved to amend H. F. No. 264, the first engrossment, as amended, as follows:

Page 2, after line 11, insert:

"Subd. 5. **Labeling.** The contents of food provided in commerce must be legibly labeled with the measured concentrations of dioxin and dioxin-like compounds as determined by the National Academy of Sciences."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Falk moved to amend the Persell amendment to H. F. No. 264, the first engrossment, as amended, as follows:

Page 1, after line 5, insert:

"Subd. 6. **Production labeling.** This label must state whether the food was produced by family farms or factory farms."

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 amendment to the amendment and the roll was called. There were 59 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anzelc	Falk	Hornstein	Lenczewski	Mullery	Scalze
Atkins	Fritz	Hortman	Lesch	Murphy, E.	Simon
Benson, J.	Gauthier	Howes	Liebling	Nelson	Slawik
Brynaert	Greene	Huntley	Lillie	Norton	Slocum
Carlson	Greiling	Johnson	Loeffler	Paymar	Smith
Champion	Hansen	Kahn	Mahoney	Pelowski	Thissen
Clark	Hausman	Kath	Mariani	Persell	Tillberry
Davnie	Hayden	Knuth	Melin	Peterson, S.	Wagenius
Dittrich	Hilstrom	Koenen	Moran	Poppe	Winkler
Eken	Hilty	Laine	Morrow	Rukavina	

Those who voted in the negative were:

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

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

#### FISCAL CALENDAR ANNOUNCEMENT

Pursuant to rule 1.22, Holberg announced her intention to place H. F. No. 959 on the Fiscal Calendar for Friday, May 20, 2011.

### CALENDAR FOR THE DAY, Continued

The question recurred on the Persell amendment and the roll was called. There were 59 yeas and 72 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Simon moved to amend H. F. No. 264, the first engrossment, as amended, as follows:

Page 1, line 24, after "gain." insert "or" and delete ", or a health condition associated with weight gain or obesity"

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 Simon amendment and the roll was called. There were 61 yeas and 71 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

H. F. No. 264, as amended, was read for the third time.

#### MOTION TO LAY ON THE TABLE

Falk moved that H. F. No. 264, as amended, be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Falk motion and the roll was called. There were 59 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Anzelc	Carlson	Dittrich	Gauthier	Hausman	Hornstein
Atkins	Champion	Falk	Greene	Hayden	Hortman
Benson, J.	Clark	Franson	Greiling	Hilstrom	Huntley
Brynaert	Davnie	Fritz	Hansen	Hilty	Johnson

Kahn	Liebling	Melin	Norton	Rukavina	Thissen
Kath	Lillie	Moran	Paymar	Runbeck	Tillberry
Knuth	Loeffler	Morrow	Pelowski	Scalze	Wagenius
Laine	Mahoney	Mullery	Persell	Simon	Ward
Lenczewski	Mariani	Murphy, E.	Peterson, S.	Slocum	Winkler
Lesch	Marquart	Nelson	Poppe	Smith	

Those who voted in the negative were:

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

The motion did not prevail.

H. F. No. 264, A bill for an act relating to civil actions; prohibiting actions against certain persons for weight gain as a result of consuming certain foods; proposing coding for new law in Minnesota Statutes, chapter 604.

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

The question was taken on the passage of the bill and the roll was called. There were 76 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abeler	Dauids	Gunther	Koenen	McFarlane	Shimanski
Anderson, B.	Dean	Hackbarth	Kriesel	McNamara	Stensrud
Anderson, D.	Dettmer	Hamilton	Lanning	Murdock	Swedzinski
Anderson, P.	Dittrich	Hancock	Leidiger	Murray	Torkelson
Anderson, S.	Doepke	Hoppe	LeMieur	Nornes	Urdahl
Banaian	Downey	Hortman	Lillie	O'Driscoll	Vogel
Barrett	Drazkowski	Hosch	Lohmer	Peppin	Ward
Beard	Eken	Howes	Loon	Persell	Wardlow
Benson, M.	Fabian	Kath	Mack	Petersen, B.	Westrom
Bills	Franson	Kelly	Marquart	Poppe	Woodard
Cornish	Garofalo	Kieffer	Mazorol	Quam	Spk. Zellers
Crawford	Gottwalt	Kiel	McDonald	Sanders	
Daudt	Gruenhagen	Kiffmeyer	McElpatrick	Schomacker	

Those who voted in the negative were:

Anzelc	Brynaert	Champion	Erickson	Gauthier	Hansen
Atkins	Buesgens	Clark	Falk	Greene	Hausman
Benson, J.	Carlson	Davnie	Fritz	Greiling	Hayden

Hilstrom	Laine	Melin	Nelson	Scalze	Tillberry
Hilty	Lenczewski	Moran	Norton	Scott	Wagenius
Hornstein	Lesch	Morrow	Paymar	Simon	Winkler
Huntley	Liebling	Mullery	Pelowski	Slawik	
Johnson	Loeffler	Murphy, E.	Peterson, S.	Slocum	
Kahn	Mahoney	Murphy, M.	Rukavina	Smith	
Knuth	Mariani	Myhra	Runbeck	Thissen	

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

S. F. No. 191 was reported to the House.

Gruenhagen moved to amend S. F. No. 191 as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2010, section 62A.17, subdivision 1, is amended to read:

Subdivision 1. **Continuation of coverage.** Every group insurance policy, group subscriber contract, and health care plan included within the provisions of section 62A.16, except policies, contracts, or health care plans covering employees of an agency of the federal government, shall contain a provision which permits every covered employee who is voluntarily or involuntarily terminated or laid off from employment, if the policy, contract, or health care plan remains in force for active employees of the employer, to elect to continue the coverage for the employee and dependents.

An employee shall be considered to be laid off from employment if there is a reduction in hours to the point where the employee is no longer eligible under the policy, contract, or health care plan. Termination shall not include discharge for gross misconduct.

Upon request by the terminated or laid off employee, a health carrier must provide the instructions necessary to enable the employee to: (1) elect continuation of coverage under this subdivision; or (2) if the employer is a small employer as defined in section 62L.02, subdivision 26, elect a GAP policy under subdivision 7.

**EFFECTIVE DATE.** This section is effective January 1, 2012, and applies to losses of eligibility for small employer group coverage that begin on or after that date.

Sec. 2. Minnesota Statutes 2010, section 62A.17, subdivision 6, is amended to read:

Subd. 6. **Conversion to individual policy.** A group insurance policy that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a covered employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided by subdivision 2, or at the expiration of a GAP policy under subdivision 7, to obtain from the insurer offering the group policy or group subscriber contract, at the employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual policy of insurance or an individual subscriber contract providing at least the minimum benefits of a qualified plan as prescribed by section 62E.06 and the option of a number three qualified plan, a number two qualified plan, and a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3, provided application is made to the insurer within 30 days following notice of the expiration of the continued or GAP coverage and upon payment of the appropriate premium. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. A health maintenance

contract issued by a health maintenance organization that provides posttermination or layoff coverage as required by this section shall also include a provision allowing a former employee, surviving spouse, or dependent at the expiration of the posttermination or layoff coverage provided in subdivision 2 or 7 to obtain from the health maintenance organization, at the former employee's, spouse's, or dependent's option and expense, without further evidence of insurability and without interruption of coverage, an individual health maintenance contract. Effective January 1, 1985, enrollees who have become nonresidents of the health maintenance organization's service area shall be given the option, to be arranged by the health maintenance organization, of a number three qualified plan, a number two qualified plan, or a number one qualified plan as provided by section 62E.06, subdivisions 1 to 3. This option shall be made available at the enrollee's expense, without further evidence of insurability and without interruption of coverage.

A policy providing reduced benefits at a reduced premium rate may be accepted by the employee, the spouse, or a dependent in lieu of the optional coverage otherwise required by this subdivision.

The individual policy or contract shall be renewable at the option of the individual as long as the individual is not covered under another qualified plan as defined in section 62E.02, subdivision 4. Any revisions in the table of rate for the individual policy shall apply to the covered person's original age at entry and shall apply equally to all similar policies issued by the insurer.

**EFFECTIVE DATE.** This section is effective January 1, 2012, and applies to losses of eligibility for small employer group coverage that begin on or after that date.

Sec. 3. Minnesota Statutes 2010, section 62A.17, is amended by adding a subdivision to read:

**Subd. 7. Direct access to a GAP policy.** (a) In addition to other coverage required to be available under this section, a health plan that provides group health coverage to a small employer as defined in section 62L.02, subdivision 26, must contain a provision which provides to every covered employee eligible for continuation health coverage under subdivision 1, the right to instead obtain from the health carrier a direct GAP policy under this subdivision without first enrolling in and completing continuation coverage. The health carrier, on behalf of the employer, shall provide the former employee with written notice of the former employee's rights in regard to a GAP policy under this section. Coverage under this subdivision must be offered to any terminated or laid-off employee to whom continuation coverage must be offered under federal law or Minnesota law, if the employer is a small employer as defined in section 62L.02, subdivision 26.

(b) This subdivision does not apply to a health plan issued by a health carrier that is assessed less than three percent of the total annual amount assessed by the Minnesota Comprehensive Health Association. For purposes of this calculation, a health carrier's assessments include those of its affiliates.

(c) The individual direct GAP policies available to a former employee, including dependent coverage at the option of the former employee, must consist of at least the following options:

(1) annual deductible of \$1,000 per individual, 80 percent coverage above the deductible, subject to an annual \$10,000 limit on out-of-pocket costs;

(2) a \$15,000 annual deductible plan and 100 percent coverage thereafter; and

(3) qualified high-deductible health plan and health savings account with an annual deductible of \$5,950 per individual and \$11,900 per family, with 100 percent coverage above those deductibles.

The deductibles allowed under this paragraph are adjusted annually to match the federal law regarding qualified high-deductible health plans and health savings accounts.

(d) Policies issued under this subdivision shall be included in the health carrier's small employer group risk pool.

(e) A former employee is not eligible for GAP coverage under this subdivision if the former employee has enrolled in continuation coverage under subdivisions 1 to 5. An election to receive coverage under this subdivision must be made no later than the deadline for electing continuation coverage under subdivisions 1 to 5.

(f) GAP coverage must be offered up to the maximum duration required under the federal COBRA law for continuation coverage of the former employee or other eligible individual.

(g) The conversion plan option must be offered to GAP plan enrollees at the conclusion of eligibility for GAP coverage.

(h) GAP coverage under this subdivision must be available on a guaranteed-issue basis, following the HIPPA preexisting condition limitation for employer-provided group insurance.

(i) Health plan companies shall pay the same service fees equal to those fees being paid under the employer's group insurance plan to the licensed health insurance producer that enrolls the individual in a GAP plan, to be paid for the period in which the individual continues GAP coverage. The commissioner is not responsible for enforcing this paragraph.

**EFFECTIVE DATE.** This section is effective January 1, 2012, and applies to losses of eligibility for small employer group coverage that begin on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Huntley moved to amend S. F. No. 191, as amended, as follows:

Page 1, after line 8, insert:

"Section 1. Minnesota Statutes 2010, section 62U.04, subdivision 9, is amended to read:

Subd. 9. **Uses of information.** (a) By no later than 12 months after the commissioner publishes the information in subdivision 3, paragraph (e):

(1) the commissioner of management and budget shall use the information and methods developed under subdivision 3 to strengthen incentives for members of the state employee group insurance program to use high-quality, low-cost providers;

(2) all political subdivisions, as defined in section 13.02, subdivision 11, that offer health benefits to their employees must offer plans that differentiate providers on their cost and quality performance and create incentives for members to use better-performing providers;

(3) all health plan companies shall use the information and methods developed under subdivision 3 to develop products that encourage consumers to use high-quality, low-cost providers; and

(4) health plan companies that issue health plans in the individual market or the small employer market must offer at least one health plan that uses the information developed under subdivision 3 to establish financial incentives for consumers to choose higher-quality, lower-cost providers through enrollee cost-sharing or selective provider networks. A health plan company that offers such a health plan to small employers may permit an employer that has grown to exceed 50 employees to continue enrollment in that health plan.

(b) By January 1, 2011, the commissioner of health shall report to the governor and the legislature on recommendations to encourage health plan companies to promote widespread adoption of products that encourage the use of high-quality, low-cost providers. The commissioner's recommendations may include tax incentives, public reporting of health plan performance, regulatory incentives or changes, and other strategies."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

Atkins; Murphy, E.; Huntley; Hosch and Loeffler moved to amend the Huntley amendment to S. F. No. 191, as amended, as follows:

Page 1, after line 27, insert:

"Sec. 2. Minnesota Statutes 2010, section 62U.04, is amended by adding a subdivision to read:

**Subd. 10. Creation of Minnesota health insurance exchange.** (a) A working group is created to design and create a Minnesota health insurance exchange. The exchange must meet at least the minimum requirements for a health insurance exchange under federal law.

(b) The working group shall consist of four appointees of the governor, two appointees of the speaker of the house, and two appointees of the majority leader of the senate.

(c) Members of the working group shall serve without compensation for their time or reimbursement for their expenses.

(d) This subdivision expires 30 days after federal law requiring a health insurance exchange is repealed or determined to be unconstitutional by the United States Supreme Court.

(e) The working group must complete its duties no later than November 1, 2011. If those duties are not completed by that date, the working group shall expire, and the Commissioner of Commerce shall assume its duties and complete its work."

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 amendment to the amendment and the roll was called. There were 62 yeas and 71 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

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

Huntley withdrew his amendment to S. F. No. 191, as amended.

The Speaker resumed the Chair.

S. F. No. 191, A bill for an act relating to insurance; enacting the recommendation of the Small Group Health Insurance Market Working Group by repealing a requirement that small employers that do not offer group health coverage either offer, or file a form with the state stating a decision not to offer, a Section 125 plan through which employees may contribute wages to a pretax account from which to pay for individual health insurance; repealing Minnesota Statutes 2010, section 62U.07.

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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, P.	Atkins	Beard	Bills	Carlson
Anderson, B.	Anderson, S.	Banaian	Benson, J.	Brynaert	Champion
Anderson, D.	Anzelc	Barrett	Benson, M.	Buesgens	Clark

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

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

S. F. No. 1162, A bill for an act relating to real property; landlord and tenant; clarifying application of foreclosure provisions for residential tenants; amending Minnesota Statutes 2010, section 504B.285, subdivision 1a.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed 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:

H. F. No. 1343, A bill for an act relating to civil actions; providing immunity in certain cases involving the use of school facilities for recreational activities; amending Minnesota Statutes 2010, section 466.03, subdivision 6e, by adding a subdivision.

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. 57, A bill for an act relating to public safety; establishing the crimes of sale or possession of synthetic cannabinoids; including a person under the influence of a synthetic cannabinoid for a driving while impaired crime; providing for a penalty; amending Minnesota Statutes 2010, sections 152.027, by adding a subdivision; 169A.20, subdivisions 1, 1a, 1b, 1c.

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

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 186, A bill for an act relating to drivers' licenses; extending expiration period for driver's license while person is serving in active military service; amending Minnesota Statutes 2010, section 171.27.

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

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 201, A bill for an act relating to health; limiting use of funds for state-sponsored health programs for funding abortions.

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

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1326, A bill for an act relating to liquor; authorizing brewer taproom licenses; allowing a bed and breakfast to serve Minnesota beer; making clarifying, technical, and other changes to certain license provisions; authorizing the issuance of certain on-sale and off-sale licenses; amending Minnesota Statutes 2010, sections 340A.301, by adding a subdivision; 340A.4011, subdivision 2; 340A.404, subdivision 7, by adding subdivisions; 340A.412, subdivisions 4, 14.

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. 247, A bill for an act relating to taxation; providing for voluntary contributions to the state on the income tax form; proposing coding for new law in Minnesota Statutes, chapter 290.

CAL R. LUDEMAN, Secretary of the Senate

Davids moved that the House refuse to concur in the Senate amendments to H. F. No. 247, 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 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. 874, A bill for an act relating to education finance; removing obsolete language; amending Minnesota Statutes 2010, section 126C.10, subdivision 2.

CAL R. LUDEMAN, Secretary of the Senate

Garofalo moved that the House refuse to concur in the Senate amendments to H. F. No. 874, 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 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. 1234, A bill for an act relating to state government; requiring the commissioner of administration to issue a request for proposals and enter into a contract for strategic sourcing consulting services; appropriating money.

CAL R. LUDEMAN, Secretary of the Senate

Downey moved that the House refuse to concur in the Senate amendments to H. F. No. 1234, 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 the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 429.

CAL R. LUDEMAN, Secretary of the Senate

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

S. F. No. 429, A bill for an act relating to civil actions; providing a factor for determining the amount of attorney fees awarded in certain actions; proposing coding for new law in Minnesota Statutes, chapter 549.

The bill was read for the first time.

Mazorol moved that S. F. No. 429 and H. F. No. 747, 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 the Speaker.

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

**MESSAGES FROM THE SENATE**

The following messages were received from the Senate:

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. 1011, A bill for an act relating to natural resources; providing for disposition of trout and salmon management account; appropriating money; amending Minnesota Statutes 2010, section 97A.075, subdivision 3.

CAL R. LUDEMAN, Secretary of the Senate

McNamara moved that the House refuse to concur in the Senate amendments to H. F. No. 1011, 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 the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 477, 1159, 1287, 1340, 1173 and 1268.

CAL R. LUDEMAN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 477, A bill for an act relating to health; modifying provisions for food, beverage, and lodging establishments; amending Minnesota Statutes 2010, sections 157.15, subdivision 12b; 157.22.

The bill was read for the first time.

Drazkowski moved that S. F. No. 477 and H. F. No. 637, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1159, A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; increasing amount available for remodeling or alteration projects; requiring rulemaking; appropriating money; amending Minnesota Statutes 2010, sections 14.48, subdivisions 2, 3; 14.49; 14.50; 176.106, subdivisions 1, 3, 5, 6, 7, 8, 9; 176.137, subdivisions 2, 4, 5; 176.238, subdivision 6; 176.305, subdivisions 1, 1a; 176.307; 176.341, subdivision 4.

The bill was read for the first time.

Kieffer moved that S. F. No. 1159 and H. F. No. 1362, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1287, A bill for an act relating to human services; modifying certain provisions regarding the Minnesota sex offender program; amending Minnesota Statutes 2010, sections 253B.141, subdivision 2; 253B.185, subdivisions 1, 16, by adding subdivisions; 253B.19, subdivision 2; 609.485, subdivision 2.

The bill was read for the first time.

Kiffmeyer moved that S. F. No. 1287 and H. F. No. 1478, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1340, A bill for an act relating to counties; giving counties authority to provide for the general welfare; establishing an alternative service delivery pilot program for waivers; amending Minnesota Statutes 2010, section 375.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 402A.

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

S. F. No. 1173, A bill for an act relating to human services; providing for child safety and permanency reform, including adoptions of children under guardianship of the commissioner; modifying certain child support statutory provisions; providing for criminal penalties; amending Minnesota Statutes 2010, sections 256.01, subdivision 14b; 257.01; 257.75, subdivision 7; 259.69; 259.73; 260.012; 260C.001; 260C.007, subdivision 4, by adding subdivisions; 260C.101, subdivision 2; 260C.150, subdivision 1; 260C.157, subdivisions 1, 3; 260C.163, subdivisions 1, 4; 260C.178, subdivisions 1, 7; 260C.193, subdivisions 3, 6; 260C.201, subdivisions 2, 10; 260C.212, subdivisions 5, 7; 260C.215, subdivisions 4, 6; 260C.301, subdivisions 1, 8; 260C.328; 260C.451; 260D.08; 518C.205; 626.556, subdivisions 2, 10, 10e, 10f, 10i, 10k; proposing coding for new law in Minnesota Statutes, chapters 260C; 611; proposing coding for new law as Minnesota Statutes, chapter 259A; repealing Minnesota Statutes 2010, sections 256.022; 259.67; 259.71; 260C.201, subdivision 11; 260C.215, subdivision 2; 260C.456; Minnesota Rules, parts 9560.0071; 9560.0082; 9560.0083; 9560.0091; 9560.0093, subparts 1, 3, 4; 9560.0101; 9560.0102.

The bill was read for the first time.

Gottwalt moved that S. F. No. 1173 and H. F. No. 1423, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1268, A bill for an act relating to commerce; authorizing the imposition of certain fees in connection with certain loan transactions; amending Minnesota Statutes 2010, section 47.59, subdivision 6.

The bill was read for the first time.

Anderson, S., moved that S. F. No. 1268 and H. F. No. 1195, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### CALENDAR FOR THE DAY

S. F. No. 1044, as amended on Thursday, May 19, 2011, was reported to the House.

Drazkowski moved to amend S. F. No. 1044, the first engrossment, as amended, as follows:

Page 5, line 6, delete everything after "ASSISTANCE" and insert a period

Page 5, delete line 7

Page 5, line 10, delete "of Hammond and Zumbro Falls" and insert "located within a county designated for public assistance under Presidential Declaration of a Major Disaster FEMA-1941-DR, whether included in the original declarations or added later by federal government action."

Page 5, after line 15, insert:

"Sec. 13. FLOOD HAZARD MITIGATION GRANTS; LOCAL SHARE.

Transferred funds under Minnesota Statutes, section 12A.03, subdivision 5, that are used for flood hazard mitigation grants under Minnesota Statutes, section 12A.12, subdivision 2, may be used for the local share of flood hazard mitigation grants awarded under Minnesota Statutes, section 12A.12, subdivision 2, for the storms and flooding that occurred on or after September 22, 2010, in the area of Minnesota designated under Presidential Declaration of a Major Disaster FEMA-1941-DR, whether included in the original declarations or added later by federal government action.

**EFFECTIVE DATE.** This section is effective retroactively from October 19, 2010."

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. 1044, A bill for an act relating to state government; modifying provisions relating to state agency responses to natural disasters; amending Minnesota Statutes 2010, sections 12A.05; 12A.06, subdivision 1; 12A.07, subdivisions 1, 2; 12A.09, subdivision 4; 12A.10, by adding a subdivision; 12A.12, subdivisions 2, 3, by adding a subdivision; 12A.15, by adding a subdivision; 12A.16.

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 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Benson, M.

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

S. F. No. 137 was reported to the House.

Mazorol, Hortman and Wardlow moved to amend S. F. No. 137, the unofficial engrossment, as follows:

Page 2, after line 3, insert:

"Sec. 3. Minnesota Statutes 2010, section 524.2-712, is amended to read:

**524.2-712 DECEDENTS DYING AFTER DECEMBER 31, 2009, AND BEFORE JANUARY 1, 2011;  
FORMULA CLAUSES TO BE CONSTRUED TO REFER TO FEDERAL ESTATE TAX AND FEDERAL  
GENERATION-SKIPPING TRANSFER TAX LAWS.**

(a) A governing instrument, including a will or trust agreement, of a decedent who dies after December 31, 2009, and before January 1, 2011, that contains a formula or provision referring to the "unified credit," "estate tax exemption," "applicable exemption amount," "applicable credit amount," "applicable exclusion amount," "generation-skipping transfer tax exemption," "GST exemption," "marital deduction," "maximum marital deduction," "unlimited marital deduction," "inclusion ratio," "applicable fraction," or any section of the Internal Revenue Code relating to the federal estate tax or federal generation-skipping transfer tax, or that measures a share of an estate or trust by reference to federal estate taxes or federal generation-skipping transfer taxes, is deemed to refer to the federal estate tax and federal generation-skipping transfer tax laws as they applied with respect to the estates of decedents dying on December 31, 2009. This paragraph does not apply to a governing instrument, including a will or trust agreement, that manifests an intent that a contrary rule will apply if the decedent dies on a date on which there is no then-applicable federal estate or federal generation-skipping transfer tax.

~~(b) If the federal estate or federal generation skipping transfer tax becomes effective before January 1, 2011, then the reference to January 1, 2011, in paragraph (a) is deemed to refer to the first date on which this tax becomes legally effective, instead of January 1, 2011.~~

~~(e) (b) The personal representative, trustee, or any interested person under the governing instrument, including a will or trust agreement, may bring a proceeding to determine whether the decedent intended that a formula or provision described in paragraph (a) be construed with respect to the law as it existed after December 31, 2009. This proceeding must be commenced by December 31, 2011, and the court may consider extrinsic evidence that contradicts the plain meaning of the will, trust, or other governing instrument. The court may modify a provision of a will, trust, or other governing instrument that refers to the federal estate tax or generation-skipping transfer tax laws as described in paragraph (a) to conform the terms to the decedent's intention, or achieve the decedent's tax objectives in a manner that is not contrary to the decedent's probable intention. The court may provide that its decision, including any decision to modify a provision of a will, trust, or other governing instrument, is effective as of the date of the decedent's death."~~

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. 137, A bill for an act relating to real property; clarifying deeds to correct title and certain acknowledgments; providing for cancellation of residential purchase agreements; clarifying redemption period for foreclosure of certain mortgages; amending Minnesota Statutes 2010, sections 272.15; 358.50; 559.217, subdivisions 3, 4, 8; 580.23, subdivision 2.

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 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.

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

S. F. No. 301 was reported to the House.

Mullery, Shimanski and Smith moved to amend S. F. No. 301, the first engrossment, as follows:

Page 1, after line 18, insert:

"Sec. 2. Minnesota Statutes 2010, section 609.2231, is amended by adding a subdivision to read:

**Subd. 9. Utility and postal service employees and contractors.** (a) A person is guilty of a gross misdemeanor who:

(1) assaults an employee or contractor of a utility or the United States Postal Service while the employee or contractor is engaged in the performance of the employee's or contractor's duties;

(2) should reasonably know that the victim is an employee or contractor of a utility or the postal service who is:

(i) performing duties of the victim's employment; or

(ii) fulfilling the victim's contractual obligations; and

(3) inflicts demonstrable bodily harm.

(b) As used in this subdivision, "utility" has the meaning given it in section 609.594, subdivision 1, clause (3).

**EFFECTIVE DATE.** This section is effective August 1, 2011, and applies to offenses committed on or after that date."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 301, A bill for an act relating to public safety; expanding the fourth-degree assault crime and the assaulting a police horse crime to provide more protection to reserve officers; amending Minnesota Statutes 2010, sections 609.2231, by adding a subdivision; 609.597; 626.84, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.

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

S. F. No. 478, A bill for an act relating to motor vehicles; providing for disability motorcycle plate; amending Minnesota Statutes 2010, sections 168.021; 169.345, subdivisions 1, 3.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Beard	Crawford	Downey	Gauthier	Hansen
Anderson, B.	Benson, J.	Daudt	Drazkowski	Gottwalt	Hausman
Anderson, D.	Bills	Davids	Eken	Greene	Hayden
Anderson, P.	Brynaert	Davnie	Erickson	Greiling	Hilstrom
Anderson, S.	Buesgens	Dean	Fabian	Gruenhagen	Hilty
Anzelc	Carlson	Dettmer	Falk	Gunther	Holberg
Atkins	Champion	Dill	Franson	Hackbarth	Hoppe
Banaian	Clark	Dittrich	Fritz	Hamilton	Hornstein
Barrett	Cornish	Doepke	Garofalo	Hancock	Hortman

Hosch	Laine	Mariani	Murphy, M.	Poppe	Swedzinski
Howes	Lanning	Marquart	Murray	Rukavina	Thissen
Huntley	Leidiger	Mazorol	Myhra	Runbeck	Tillberry
Johnson	LeMieur	McDonald	Nelson	Sanders	Torkelson
Kahn	Lenczewski	McElpatrick	Nornes	Scalze	Urdahl
Kath	Lesch	McFarlane	Norton	Schomacker	Vogel
Kelly	Liebling	McNamara	O'Driscoll	Scott	Wagenius
Kieffer	Lillie	Melin	Paymar	Shimanski	Ward
Kiel	Loeffler	Moran	Pelowski	Simon	Wardlow
Kiffmeyer	Lohmer	Morrow	Peppin	Slawik	Westrom
Knuth	Loon	Mullery	Persell	Slocum	Winkler
Koenen	Mack	Murdock	Petersen, B.	Smith	Woodard
Kriesel	Mahoney	Murphy, E.	Peterson, S.	Stensrud	Spk. Zellers

Those who voted in the negative were:

Benson, M.           Quam

The bill was passed and its title agreed to.

S. F. No. 1208, A bill for an act relating to commerce; providing notice to a mortgagor under certain circumstances; modifying a definition; regulating life insurance and title insurance reserves; regulating certain accounts and funding agreements; repealing obsolete and conflicting provisions; making conforming changes; repealing a bank rule; amending Minnesota Statutes 2010, sections 60A.60, subdivision 9; 60C.03, subdivision 6; 61A.25, subdivision 4; 61A.282, subdivision 2; 68A.03, subdivision 3; 72A.31, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 58; repealing Minnesota Statutes 2010, sections 61A.275; 61A.276, subdivision 4; 67A.27; 67A.28; 67A.29; 67A.30, subdivisions 1, 3; 67A.31; 67A.32; 67A.34; 67A.35; 67A.36; 67A.37; 67A.38; 67A.39; Minnesota Rules, part 2675.2170, item F.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abeler	Cornish	Garofalo	Hornstein	Leidiger	McNamara
Anderson, B.	Crawford	Gauthier	Hortman	LeMieur	Melin
Anderson, D.	Daudt	Gottwalt	Hosch	Lenczewski	Moran
Anderson, P.	Davids	Greene	Howes	Lesch	Morrow
Anderson, S.	Davnie	Greiling	Huntley	Liebling	Mullery
Anzelc	Dean	Gruenhagen	Johnson	Lillie	Murdock
Atkins	Dettmer	Gunther	Kahn	Loeffler	Murphy, E.
Banaian	Dill	Hackbarth	Kath	Lohmer	Murphy, M.
Barrett	Dittrich	Hamilton	Kelly	Loon	Murray
Beard	Doepke	Hancock	Kieffer	Mack	Myhra
Benson, J.	Downey	Hansen	Kiel	Mahoney	Nelson
Bills	Drazkowski	Hausman	Kiffmeyer	Mariani	Nornes
Brynaert	Eken	Hayden	Knuth	Marquart	Norton
Buesgens	Erickson	Hilstrom	Koenen	Mazorol	O'Driscoll
Carlson	Fabian	Hilty	Kriesel	McDonald	Paymar
Champion	Falk	Holberg	Laine	McElpatrick	Pelowski
Clark	Fritz	Hoppe	Lanning	McFarlane	Peppin

Persell	Sanders	Simon	Swedzinski	Vogel	Winkler
Petersen, B.	Scalze	Slawik	Thissen	Wagenius	Woodard
Peterson, S.	Schomacker	Slocum	Tillberry	Ward	Spk. Zellers
Poppe	Scott	Smith	Torkelson	Wardlow	
Rukavina	Shimanski	Stensrud	Urdahl	Westrom	

Those who voted in the negative were:

Benson, M.	Franson	Quam	Runbeck
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The bill was passed and its title agreed to.

H. F. No. 1270 was reported to the House.

McDonald moved that H. F. No. 1270 be continued on the Calendar for the Day. The motion prevailed.

S. F. No. 1265, A bill for an act relating to drug and alcohol testing; modifying provisions related to professional athletes; amending Minnesota Statutes 2010, section 181.955, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.            Quam

The bill was passed and its title agreed to.

H. F. No. 1219 was reported to the House.

Davids moved to amend H. F. No. 1219, the first engrossment, as follows:

Page 71, after line 14, insert:

"Sec. 16. Minnesota Statutes 2010, section 469.176, subdivision 4c, is amended to read:

Subd. 4c. **Economic development districts.** (a) Revenue derived from tax increment from an economic development district may not be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if more than 15 percent of the buildings and facilities (determined on the basis of square footage) are used for a purpose other than:

(1) the manufacturing or production of tangible personal property, including processing resulting in the change in condition of the property;

(2) warehousing, storage, and distribution of tangible personal property, excluding retail sales;

(3) research and development related to the activities listed in clause (1) or (2);

(4) telemarketing if that activity is the exclusive use of the property;

(5) tourism facilities;

(6) qualified border retail facilities; or

(7) space necessary for and related to the activities listed in clauses (1) to (6).

(b) Notwithstanding the provisions of this subdivision, revenues derived from tax increment from an economic development district may be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form for up to 15,000 square feet of any separately owned commercial facility located within the municipal jurisdiction of a small city, if the revenues derived from increments are spent only to assist the facility directly or for administrative expenses, the assistance is necessary to develop the facility, and all of the increments, except those for administrative expenses, are spent only for activities within the district.

(c) A city is a small city for purposes of this subdivision if the city was a small city in the year in which the request for certification was made and applies for the rest of the duration of the district, regardless of whether the city qualifies or ceases to qualify as a small city.

(d) Notwithstanding the requirements of paragraph (a) and the finding requirements of section 469.174, subdivision 12, tax increments from an economic development district may be used to provide improvements, loans, subsidies, grants, interest rate subsidies, or assistance in any form to developments consisting of buildings and ancillary facilities, if all the following conditions are met:

(1) the municipality finds that the project will create or retain jobs in this state, including construction jobs, and that construction of the project would not have commenced before July 1, ~~2011~~ 2012, without the authority providing assistance under the provisions of this paragraph;

(2) construction of the project begins no later than July 1, ~~2011~~ 2012; ~~and~~

(3) the request for certification of the district is made no later than June 30, ~~2011~~ 2012; and

(4) for development of housing under this paragraph, the construction must begin before January 1, 2012.

The provisions of this paragraph may not be used to assist housing that is developed to qualify under section 469.1761, subdivision 2 or 3, or similar requirements of other law, if construction of the project begins later than July 1, 2011.

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

Sec. 17. Minnesota Statutes 2010, section 469.176, subdivision 4m, is amended to read:

Subd. 4m. **Temporary authority to stimulate construction.** (a) Notwithstanding the restrictions in any other subdivision of this section or any other law to the contrary, except the requirement to pay bonds to which the increments are pledged and the provisions of subdivisions 4g and 4h, the authority may spend tax increments for one or more of the following purposes:

(1) to provide improvements, loans, interest rate subsidies, or assistance in any form to private development consisting of the construction or substantial rehabilitation of buildings and ancillary facilities, if doing so will create or retain jobs in this state, including construction jobs, and that the construction commences before July 1, ~~2011~~ 2012, and would not have commenced before that date without the assistance; or

(2) to make an equity or similar investment in a corporation, partnership, or limited liability company that the authority determines is necessary to make construction of a development that meets the requirements of clause (1) financially feasible.

(b) The authority may undertake actions under the authority of this subdivision only after approval by the municipality of a written spending plan that specifically authorizes the authority to take the actions. The municipality shall approve the spending plan only after a public hearing after published notice in a newspaper of general circulation in the municipality at least once, not less than ten days nor more than 30 days prior to the date of the hearing.

(c) The authority to spend tax increments under this subdivision expires December 31, ~~2011~~ 2012.

(d) For a development consisting of housing, the authority to spend tax increments under this subdivision expires December 31, 2011, and construction must commence before July 1, 2011, except the authority to spend tax increments on market rate housing developments under this subdivision expires July 31, 2012, and construction must commence before January 1, 2012.

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

Sec. 18. Minnesota Statutes 2010, section 469.1763, subdivision 2, is amended to read:

Subd. 2. **Expenditures outside district.** (a) For each tax increment financing district, an amount equal to at least 75 percent of the total revenue derived from tax increments paid by properties in the district must be expended on activities in the district or to pay bonds, to the extent that the proceeds of the bonds were used to finance

activities in the district or to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the in-district percentage for purposes of the preceding sentence is 80 percent. Not more than 25 percent of the total revenue derived from tax increments paid by properties in the district may be expended, through a development fund or otherwise, on activities outside of the district but within the defined geographic area of the project except to pay, or secure payment of, debt service on credit enhanced bonds. For districts, other than redevelopment districts for which the request for certification was made after June 30, 1995, the pooling percentage for purposes of the preceding sentence is 20 percent. The revenue derived from tax increments for the district that are expended on costs under section 469.176, subdivision 4h, paragraph (b), may be deducted first before calculating the percentages that must be expended within and without the district.

(b) In the case of a housing district, a housing project, as defined in section 469.174, subdivision 11, is an activity in the district.

(c) All administrative expenses are for activities outside of the district, except that if the only expenses for activities outside of the district under this subdivision are for the purposes described in paragraph (d), administrative expenses will be considered as expenditures for activities in the district.

(d) The authority may elect, in the tax increment financing plan for the district, to increase by up to ten percentage points the permitted amount of expenditures for activities located outside the geographic area of the district under paragraph (a). As permitted by section 469.176, subdivision 4k, the expenditures, including the permitted expenditures under paragraph (a), need not be made within the geographic area of the project. Expenditures that meet the requirements of this paragraph are legally permitted expenditures of the district, notwithstanding section 469.176, subdivisions 4b, 4c, and 4j. To qualify for the increase under this paragraph, the expenditures must:

(1) be used exclusively to assist housing that meets the requirement for a qualified low-income building, as that term is used in section 42 of the Internal Revenue Code; and

(2) not exceed the qualified basis of the housing, as defined under section 42(c) of the Internal Revenue Code, less the amount of any credit allowed under section 42 of the Internal Revenue Code; and

(3) be used to:

(i) acquire and prepare the site of the housing;

(ii) acquire, construct, or rehabilitate the housing; or

(iii) make public improvements directly related to the housing; or

(4) be used to develop housing:

(i) if the market value of the housing does not exceed the lesser of:

(A) 150 percent of the average market of single-family homes in that municipality; or

(B) \$200,000 for municipalities located in the metropolitan area, as defined in section 473.121, or \$125,000 for all other municipalities; and

(ii) if the expenditures are used to pay the cost of site acquisition, relocation, demolition of existing structures, site preparation, and pollution abatement on one or more parcels, if the parcel contains a residence containing one to four family dwelling units that has been vacant for six or more months and is in foreclosure as defined in section 325N.10, subdivision 7, but without regard to whether the residence is the owner's principal residence, and only after the redemption period stated in the notice provided under section 580.06 has expired.

(e) For a district created within a biotechnology and health sciences industry zone as defined in section 469.330, subdivision 6, or for an existing district located within such a zone, tax increment derived from such a district may be expended outside of the district but within the zone only for expenditures required for the construction of public infrastructure necessary to support the activities of the zone, land acquisition, and other redevelopment costs as defined in section 469.176, subdivision 4j. These expenditures are considered as expenditures for activities within the district.

(f) The authority under paragraph (d), clause (4), expires on December 31, 2016. Increments may continue to be expended under this authority after that date, if they are used to pay bonds or binding contracts that would qualify under subdivision 3, paragraph (a), if December 31, 2016, is considered to be the last date of the five-year period after certification under that provision.

**EFFECTIVE DATE.** This section is effective for any district that is subject to the provisions of section 469.1763, regardless of when the request for certification of the district was made."

Page 72, after line 8, insert:

"Sec. 20. Laws 2010, chapter 389, article 7, section 22, is amended to read:

**Sec. 22. CITY OF RAMSEY; TAX INCREMENT FINANCING DISTRICT; SPECIAL RULES.**

(a) If the city of Ramsey or an authority of the city elects upon the adoption of a tax increment financing plan for a district, the rules under this section apply to a redevelopment tax increment financing district established by the city or an authority of the city. The redevelopment tax increment district includes parcels within the area bounded on the east by Ramsey Boulevard, on the north by Bunker Lake Boulevard as extended west to Llama Street, on the west by Llama Street, and on the south by a line running parallel to and 600 feet south of the southerly right-of-way for U.S. Highway 10, but including Parcels 28-32-25-43-0007 and 28-32-25-34-0002 in their entirety, and excluding the Anoka County Regional Park property in its entirety. A parcel within this area that is included in a tax increment financing district that was certified before the date of enactment of this act may be included in the district created under this act if the initial district is decertified.

(b) The requirements for qualifying a redevelopment tax increment district under Minnesota Statutes, section 469.174, subdivision 10, do not apply to the parcels located within the district.

~~(c) In addition to the costs permitted by Minnesota Statutes, section 469.176, subdivision 4j, does not apply to the district.~~ Eligible expenditures within the district include but are not limited to (1) the city's share of the costs necessary to provide for the construction of the Northstar Transit Station and related infrastructure, including structured parking, a pedestrian overpass, and roadway improvements, (2) the cost of land acquired by the city or the housing and redevelopment authority in and for the city of Ramsey within the district prior to the establishment of the district, and (3) the cost of public improvements installed within the tax increment financing district prior to the establishment of the district.

(d) The requirement of Minnesota Statutes, section 469.1763, subdivision 3, that activities must be undertaken within a five-year period from the date of certification of a tax increment financing district, is considered to be met for the district if the activities were undertaken within ten years from the date of certification of the district.

(e) Except for administrative expenses, the in-district percentage for purposes of the restriction on pooling under Minnesota Statutes, section 469.1763, subdivision 2, for this district is 100 percent.

(f) The requirement of Minnesota Statutes, section 469.177, subdivision 4, does not apply to Parcels 28-32-25-42-0021 and 28-32-25-41-0014, where development occurred after enactment of Laws 2010, chapter 389, article 7, section 22, and prior to adoption of the tax increment financing plan for the district.

**EFFECTIVE DATE.** This section is effective upon approval by the governing body of the city of Ramsey, and upon compliance by the city with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 21. **CITY OF COHASSET; USE OF TAX INCREMENTS.**

The authority operating tax increment financing districts No. 2-1 and No. 3-1 in the city of Cohasset may transfer tax increments from each of those districts to the city in an amount equal to the advances made by the city from its general fund to finance expenditures under Minnesota Statutes, section 469.176, subdivision 4, for the benefit of that district.

**EFFECTIVE DATE.** This section is effective the day following final enactment, upon approval by the governing body of the city of Cohasset and compliance with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 22. **CITY OF LINO LAKES; TAX INCREMENT FINANCING.**

Subdivision 1. **Duration of district.** Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, the city of Lino Lakes may collect tax increments from tax increment financing district no. 1-10 through December 31, 2023, subject to the conditions in subdivision 2.

Subd. 2. **Conditions for extension.** All tax increments remaining in the account for the district after February 1, 2011, and all tax increments collected thereafter, must be used only to pay debt service on bonds issued to finance the interchange of Anoka County Highway 23 and marked Interstate Highway 35W, bonds issued to finance public improvements serving the development known as Legacy at Woods Edge, and any bonds issued to refund those bonds. Minnesota Statutes, sections 469.176, subdivision 4c, and 469.1763 do not apply to expenditures made under this section.

**EFFECTIVE DATE.** This section is effective upon compliance by the governing body of the city of Lino Lakes with the requirements of Minnesota Statutes, sections 469.1782, subdivision 2, and 645.021, subdivision 3."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McNamara moved to amend H. F. No. 1219, the first engrossment, as amended, as follows:

Page 49, after line 15, insert:

"Sec. 22. Laws 1974, chapter 475, section 1, is amended to read:

Section 1. **WASHINGTON COUNTY; HOUSING AND REDEVELOPMENT AUTHORITY.**

There is ~~hereby~~ created in Washington county a public body corporate and politic, to be known as the Washington county housing and redevelopment authority, having all the powers and duties of a ~~housing and redevelopment~~ county authority under the provisions of ~~the municipal housing and redevelopment act~~, Minnesota

Statutes, Sections ~~462.411 to 462.711, and acts amendatory thereof; which act applies~~ 469.001 to 469.047, and all powers of a county housing and redevelopment authority under any other provisions of Minnesota law, and sections 469.001 to 469.047 apply to the county of Washington. ~~For the purposes of applying the provisions of the municipal housing and redevelopment act to Washington county, the county has all of the powers and duties of a municipality, the county board has all of the powers and duties of a governing body, the chairman of the county board has all the powers and duties of a mayor, and the area of operation includes the area within the territorial boundaries of the county.~~

**EFFECTIVE DATE.** This section is effective the day after the governing body of Washington county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 23. Laws 1974, chapter 475, section 2, subdivision 1, is amended to read:

Subdivision 1. This act shall not limit or restrict any existing housing and redevelopment authority ~~or prevent a municipality from creating an authority. The county shall not exercise jurisdiction in any municipality where a municipal housing and redevelopment authority is established.~~ The jurisdiction and area of operation of the Washington county housing and redevelopment authority include the area within the territorial boundaries of the county and include the areas of operation of city housing and redevelopment authorities in the county, whenever created, and notwithstanding any provision of Minnesota Statutes, section 469.008.

**EFFECTIVE DATE.** This section is effective the day after the governing body of Washington county and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Page 49, after line 19, insert:

Sec. 24. **PRIOR ACTIVITIES.**

Sections 22 and 23 are, in part, remedial in nature. Actions of the Washington county housing and redevelopment authority prior to the effective date of those sections are not invalid or unenforceable for exercising powers that are authorized by sections 22 and 23.

**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.

H. F. No. 1219, A bill for an act relating to taxation; omnibus policy bill; making policy, technical, administrative, and clarifying changes to income, withholding, estate, property, sales and use, mortgage registry, lodging, insurance, minerals, gasoline, and other various taxes and tax-related provisions; making changes to provisions related to horses, certain aids, payments, delinquent tax liabilities, and tax-forfeited lands; providing for inclusion of property in a tax increment financing district; providing a property tax exemption for certain fairgrounds property; making changes to certain housing and redevelopment authority; amending Minnesota Statutes 2010, sections 17.459, subdivision 2; 69.031, subdivision 1; 116J.8737, subdivisions 1, 2, 4; 270.87; 270A.03, subdivision 7; 270C.13, subdivision 2; 270C.30; 270C.32, subdivision 3, by adding a subdivision; 270C.34, subdivision 1; 270C.64; 270C.7101, subdivision 2; 270C.711; 272.029, by adding a subdivision; 273.1231, subdivision 4; 273.124, subdivisions 1, 8, 14; 273.13, subdivisions 22, 23; 273.33, subdivision 2; 273.37, subdivision 2; 273.3711; 274.175; 278.05, subdivision 6; 282.01, subdivisions 1a, 1c, 1d; 282.014; 282.12; 287.05, subdivision 2; 289A.08, subdivisions 1, 7; 289A.12, by adding a subdivision; 289A.18, subdivision 3; 289A.25, subdivisions 1, 6, by adding a subdivision; 289A.26, subdivision 1; 289A.35; 289A.50, subdivision 10; 289A.60, subdivision 31; 290.01,

subdivisions 19a, 19b; 290.06, subdivision 2c; 290.091, subdivision 2; 290.0922, subdivisions 2, 3; 290.095, subdivision 11; 290.92, subdivision 26; 291.03, subdivision 1b; 296A.083, by adding a subdivision; 296A.18, subdivision 7, by adding a subdivision; 297A.61, subdivision 3; 297A.62, by adding a subdivision; 297A.63, by adding a subdivision; 297A.668, subdivision 7, by adding a subdivision; 297A.71, subdivision 23; 297A.89, subdivision 2; 297B.08; 297I.15, by adding a subdivision; 298.28, subdivision 2; 383C.16, subdivision 1; 469.176, subdivisions 4c, 4m; 469.1763, subdivision 2; 469.319, subdivision 5; Laws 1974, chapter 475, sections 1; 2, as amended; Laws 1986, chapter 462, section 31, as amended; Laws 2010, chapter 389, article 1, section 12; article 7, section 22; proposing coding for new law in Minnesota Statutes, chapters 270C; 383C; repealing Minnesota Statutes 2010, sections 17.459, subdivision 3; 272.02, subdivision 34; 273.124, subdivision 10; 281.37; 290.06, subdivision 10; 290A.27; 296A.18, subdivision 9.

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 110 yeas and 23 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.	Greene	Hilty	Laine	Loeffler	Paymar
Buesgens	Greiling	Hornstein	Lenczewski	Mariani	Wagenius
Falk	Hansen	Johnson	Lesch	Marquart	Winkler
Franson	Hausman	Knuth	Liebling	Mullery	

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

S. F. No. 1045 was reported to the House.

Hoppe moved to amend S. F. No. 1045, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1394, the first engrossment:

"Section 1. Minnesota Statutes 2010, section 45.011, subdivision 1, is amended to read:

Subdivision 1. **Scope.** As used in chapters 45 to ~~80C, 80E~~ to 83, 155A, 332, 332A, 332B, 345, and 359, and sections 123A.21, subdivision 7, paragraph (a), clause (23); 123A.25; 325D.30 to 325D.42; 326B.802 to 326B.885; 386.61 to 386.78; 471.617; and 471.982, unless the context indicates otherwise, the terms defined in this section have the meanings given them.

Sec. 2. Minnesota Statutes 2010, section 45.25, is amended by adding a subdivision to read:

Subd. 2a. **Classroom course.** "Classroom course" means an educational process based on no geographical separation of instructor and learner.

Sec. 3. Minnesota Statutes 2010, section 45.25, is amended by adding a subdivision to read:

Subd. 5a. **Distance learning course.** "Distance learning course" means an education process based on the geographical separation of instructor and learner. This includes, but is not limited to:

(1) an interactive Internet course; and

(2) a course taught live by the instructor via the Internet, video, or other electronic means.

Sec. 4. Minnesota Statutes 2010, section 45.25, is amended by adding a subdivision to read:

Subd. 14. **Self-study course.** "Self-study course" means a distance learning course that is not entirely taught by the instructor live via the Internet, video, or other electronic means.

Sec. 5. Minnesota Statutes 2010, section 45.30, is amended by adding a subdivision to read:

Subd. 6a. **Professional designation coursework.** Approved courses leading to the achievement or maintenance of a professional designation listed in section 60K.36, subdivision 4a, qualify for continuing education.

Sec. 6. Minnesota Statutes 2010, section 45.30, subdivision 7, is amended to read:

Subd. 7. **Courses open to all.** (a) All course offerings must be open to any interested individuals. Access may be restricted by the education provider based on class size only, except that access to a course offering sponsored by, offered by, or affiliated with an insurance company or agency may be restricted to agents of the company or agency. Courses must not be approved if attendance is restricted to any particular group of people, except for company-sponsored courses allowed by statute.

(b) Notwithstanding paragraph (a), attendance at approved courses leading to the achievement or maintenance of a professional designation listed in section 60K.36, subdivision 4a, may be limited to those producers seeking the professional designation or those producers who have met prerequisite coursework for the course offering. Courses leading to the achievement or maintenance of a professional designation listed in section 60K.36, subdivision 4a, may require a prerequisite such as candidacy for the designation or sequential coursework relating to the attainment or maintenance of the designation. A course leading to the achievement or maintenance of a professional designation listed in section 60K.36, subdivision 4a, is not considered to be company sponsored unless it is provided by an insurance company.

Sec. 7. **[45.304] VERIFICATION REQUIREMENTS.**

A self-study course must not be approved unless it is objectively verifiable that:

(1) it includes a closed-book, end-of-course examination; and

(2) successful completion of the end-of-course examination can be objectively documented.

Sec. 8. Minnesota Statutes 2010, section 45.35, is amended to read:

#### **45.35 FACILITIES.**

Each course of study, except self-study courses, must be conducted in a classroom or other facility that is adequate to comfortably accommodate the faculty and the number of students enrolled. The education provider may limit the number of students enrolled in a course. Approved courses must not be held on the premises of a company doing business in the regulated area, except for company-sponsored courses allowed by statute or noncompany sponsored courses offered by a bona fide trade association. A bona fide trade association may offer noncompany sponsored courses on the premises of an insurance company or agency so long as the course is not restricted to employees or appointed agents of the insurance company or agency.

Sec. 9. Minnesota Statutes 2010, section 60A.19, subdivision 8, is amended to read:

Subd. 8. **Insurance from unlicensed foreign companies.** Any person, firm, or corporation ~~desiring to obtain insurance upon any property, interests, or risks of any nature other than life insurance in this state in companies not authorized to do business in the state~~ whose home state is Minnesota, that procures insurance on any property, interests, or risks of any nature other than life insurance directly from a nonadmitted insurer, must agree to file with the commissioner of revenue all returns required under chapter 297I and pay to the commissioner of revenue any amounts required to be paid under chapter 297I. Upon that agreement, the commissioner of commerce shall issue a license, good for one year. Insurance procured under the license is valid and the provisions of the policies are considered to be in accordance, and construed as if identical in effect, with the standard policy prescribed by the laws of this state. The insurers may enter the state to perform any act necessary or proper in the conduct of the business.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 10. Minnesota Statutes 2010, section 60A.196, is amended to read:

#### **60A.196 DEFINITIONS.**

Unless the context otherwise requires, the following terms have the meanings given them for the purposes of sections 60A.195 to 60A.209:

~~(a) "Surplus lines insurance" means insurance placed with an insurer permitted to transact the business of insurance in this state only pursuant to sections 60A.195 to 60A.209.~~

~~(b) "Eligible surplus lines insurer" means an insurer recognized as eligible to write insurance business under sections 60A.195 to 60A.209 but not licensed by any other Minnesota law to transact the business of insurance.~~

~~(c) "Ineligible surplus lines insurer" means an insurer not recognized as an eligible surplus lines insurer pursuant to sections 60A.195 to 60A.209 and not licensed by any other Minnesota law to transact the business of insurance. "Ineligible surplus lines insurer" includes a risk retention group as defined under the Liability Risk Retention Act, Public Law 99-563.~~

~~(d) "Surplus lines licensee" or "licensee" means a person licensed under sections 60A.195 to 60A.209 to place insurance with an eligible or ineligible surplus lines insurer.~~

~~(e) "Association" means an association registered under section 60A.208.~~

~~(f) "Alien insurer" means any insurer which is incorporated or otherwise organized outside of the United States.~~

~~(g) "Insurance laws" means chapters 60 to 79 inclusive.~~

~~(h) "Stamping" means electronically assigning a unique identifying number that is specific to a submitted policy, contract, or insurance document.~~

(a) "Affiliated group" means a group which includes the insured and any entity, or group of entities, that controls, is controlled by, or is under common control with the insured. An entity has control over another entity when: (1) the entity directly, indirectly, or acting through one or more persons owns, controls, or has the power to vote 25 percent or more of any class of voting securities of the other entity; or (2) the entity controls in any manner the election of a majority of the directors or trustees of the other entity.

(b) "Alien insurer" means any insurer which is incorporated or otherwise organized outside of the United States.

(c) "Association" means an association registered under section 60A.208.

(d) "Eligible surplus lines insurer" means a nonadmitted insurer recognized as eligible to write insurance business under sections 60A.195 to 60A.209.

(e) "Exempt commercial purchaser" means any person purchasing commercial insurance that, at the time of placement, meets the following requirements:

(1) the person employs or retains a qualified risk manager to negotiate insurance coverage;

(2) the person has paid aggregate nationwide commercial property and casualty insurance premiums in excess of \$100,000 in the immediately preceding 12 months;

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

(i) the person possesses a net worth in excess of \$20,000,000, as such amount is adjusted pursuant to clause (4);

(ii) the person generates annual revenues in excess of \$50,000,000, as such amount is adjusted pursuant to clause (4);

(iii) the person employs more than 500 full-time or full-time equivalent employees per individual insured or is a member of an affiliated group employing more than 1,000 employees in the aggregate;

(iv) the person is a not-for-profit organization or public entity generating annual budgeted expenditures of at least \$30,000,000, as such amount is adjusted pursuant to clause (4); or

(v) the person is a municipality with a population in excess of 50,000 persons.

(4) Effective January 1, 2015, and every five years thereafter, the amounts in clause (3), items (i), (ii), and (iv), shall be adjusted to reflect the percentage change for the five-year period in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.

(f) "Home state" means the state in which an insured maintains its principal place of business, or in the case of an individual, the individual's principal residence. If 100 percent of the insured risk is located out of the state, the term means the state to which the greatest percentage of the insured's taxable premium for that insurance contract is allocated. If more than one insured from an affiliated group are named insureds on a single nonadmitted insurance contract, the term means the home state of the member of the affiliated group that has the largest percentage of premium attributed to it under that insurance contract.

(g) "Ineligible surplus lines insurer" means a nonadmitted insurer not recognized as an eligible surplus lines insurer under sections 60A.195 to 60A.209.

(h) "Insurance laws" means chapters 60 to 79 inclusive.

(i) "Nonadmitted insurance" means any property and casualty insurance permitted to be placed directly or through a surplus lines broker with a nonadmitted insurer in this state only under sections 60A.195 to 60A.209.

(j) "Nonadmitted insurer" means an insurer not licensed to engage in the business of insurance in Minnesota, but does not include a risk retention group, as the term is defined in section 2(a)(4) of the Liability Risk Retention Act of 1986, United States Code, title 15, section 3901(a)(4).

(k) "Qualified risk manager" means, with respect to a policyholder of commercial insurance, a person who meets all of the following requirements:

(1) the person is an employee of, or third-party consultant retained by, the commercial policyholder;

(2) the person provides skilled services in loss prevention, loss reduction, or risk and insurance coverage analysis, and purchase of insurance;

(3) the person:

(i) has a bachelor's degree or higher from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a state insurance commissioner or other state regulatory official or entity to demonstrate minimum competence in risk management and has three years of experience in risk financing, claims administration, loss prevention, risk and insurance analysis, or purchasing commercial lines of insurance;

(ii) has a designation as a Chartered Property and Casualty Underwriter (CPCU) issued by the American Institute for CPCU/Insurance Institute of America, an Associate in Risk Management (ARM) issued by the American Institute for CPCU/Insurance Institute of America, a Certified Risk Manager (CRM) issued by the National Alliance for Insurance Education and Research, a RIMS Fellow (RF) issued by the Global Risk Management Institute, or any other designation, certification, or license determined by a state insurance commissioner or other state insurance regulatory official or entity to demonstrate minimum competency in risk management;

(iii) has at least seven years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance and one of the designations specified in clause (ii);

(iv) has at least ten years of experience in risk financing, claims administration, loss prevention, risk and insurance coverage analysis, or purchasing commercial lines of insurance; or

(v) has a graduate degree from an accredited college or university in risk management, business administration, finance, economics, or any other field determined by a state insurance commissioner or other state regulatory official or entity to demonstrate minimum competence in risk management.

(l) "Stamping" means electronically assigning a unique identifying number that is specific to a submitted policy, contract, or insurance document.

(m) "Surplus lines broker" or "broker" means an individual, firm, or corporation which is licensed in this state to sell, solicit, or negotiate insurance on properties, risks, or exposures located or to be performed in this state with nonadmitted insurers only under sections 60A.195 to 60A.209.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 11. Minnesota Statutes 2010, section 60A.198, is amended to read:

**60A.198 TRANSACTION OF ~~SURPLUS LINES~~ NONADMITTED INSURANCE.**

Subdivision 1. **License required.** A person, as defined in section 60A.02, subdivision 7, shall not act in any other manner as an agent or broker in the transaction of ~~surplus lines nonadmitted~~ insurance unless licensed under sections 60A.195 to 60A.209. A surplus lines license is not required for a licensed agent who assists in the placement of ~~surplus lines nonadmitted~~ insurance with a surplus lines ~~licensee broker~~ pursuant to sections 60A.195 to 60A.209. This subdivision does not apply to nonadmitted insurance procured by a surplus lines broker when an insured's home state is a state other than Minnesota.

Subd. 2. **Compliance with statutory provisions.** A person shall not offer, solicit, make a quotation on, sell, or issue a policy of insurance, binder, or any other evidence of insurance with ~~an eligible or ineligible surplus lines a nonadmitted~~ insurer, except in compliance with sections 60A.195 to 60A.209. This subdivision does not apply when an insured's home state is a state other than Minnesota.

Subd. 3. **Procedure for obtaining license.** A person licensed as an agent in this state pursuant to other law may obtain a surplus lines license by doing the following:

(a) filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 60A.195 to 60A.209;

(b) maintaining an agent's license in this state;

(c) registering with the association created pursuant to section 60A.2085;

(d) agreeing to file with the commissioner of revenue all returns required by chapter 297I and paying to the commissioner of revenue all amounts required under chapter 297I;

(e) agreeing to file all documents required pursuant to section 60A.2086 and to pay the stamping fee assessed pursuant to section 60A.2085, subdivision 7; and

(f) paying a fee as prescribed by section 60K.55.

Subd. 4. **Licensee's Broker's powers.** A surplus lines ~~licensee broker~~ may do any or all of the following:

(a) place insurance on risks in this state with eligible surplus lines insurers;

(b) place insurance on risks in this state with ineligible surplus lines insurers in strict compliance with section 60A.209. If the insurance is provided through the participation of several surplus lines ~~nonadmitted~~ insurers and the ~~licensee broker~~ has reason to believe that a substantial portion of the insurance would be assumed by eligible surplus lines insurers, then with respect to the ineligible surplus lines insurers, the insured or the insured's representative shall be informed as provided in section 60A.209, subdivision 1, clause (a); or

(c) engage in any other acts expressly or implicitly authorized by sections 60A.195 to 60A.209 and the other insurance laws.

Subd. 5. **Disclosures.** Before placement of insurance with an eligible surplus lines insurer, a surplus lines ~~licensee broker~~ shall inform an insured or the insured's representative that coverage may be placed in conformance with sections 60A.195 to 60A.209 with an insurer not licensed in this state and that payment of loss is not guaranteed in the event of insolvency of the eligible surplus lines insurer.

Subd. 7. **Participation in national producer database for surplus lines brokers.** For the purposes of carrying out the provisions of the Nonadmitted and Reinsurance Reform Act of 2010, the commissioner is authorized to utilize the national insurance producer database of the National Association of Insurance Commissioners, or any other equivalent uniform national database, for the licensure of surplus lines brokers and for renewal of the licenses.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 12. Minnesota Statutes 2010, section 60A.199, subdivision 1, is amended to read:

Subdivision 1. **Examination of books and records.** If the commissioner considers it necessary, the commissioner may examine the books and records of a surplus lines ~~licensee broker~~ to determine whether the ~~licensee broker~~ is conducting business in accordance with sections 60A.195 to 60A.209. For the purposes of facilitating examinations, the ~~licensee broker~~ shall allow the commissioner free access at reasonable times to all of the ~~licensee's broker's~~ books and records relating to the transactions to which sections 60A.195 to 60A.209 apply. If an examination is conducted, the cost of the examination shall be paid by the surplus line agent or agency.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 13. Minnesota Statutes 2010, section 60A.201, is amended to read:

**60A.201 PLACEMENT OF INSURANCE BY ~~LICENSEE~~ BROKER.**

Subdivision 1. **Restrictions.** Insurance shall not be placed by the surplus lines ~~licensee broker~~ with an ~~eligible or ineligible surplus lines~~ nonadmitted insurer when coverage is available from a licensed insurer.

Subd. 2. **Availability of other coverage; presumption.** There shall be a rebuttable presumption that the following coverages are available from a licensed insurer:

(a) all mandatory automobile insurance coverages required by chapter 65B;

(b) private passenger automobile physical damage coverage;

(c) homeowners and property insurance on owner-occupied dwellings whose value is less than \$500,000. This figure shall be changed annually by the commissioner by the same percentage as the Consumer Price Index for the Minneapolis-St. Paul Metropolitan Area is changed;

(d) any coverage readily available from three or more licensed insurers unless the licensed insurers quote a premium and terms not competitive with a premium and terms quoted by an eligible surplus lines insurer; and

(e) workers' compensation insurance, except excess workers' compensation insurance which is not available from the Workers' Compensation Reinsurance Association.

Subd. 3. **Unavailability of other coverage; presumption.** There shall be a rebuttable presumption that the following coverages are unavailable from a licensed insurer:

(a) coverages where one portion of the risk is acceptable to licensed insurers but another portion of the same risk is not acceptable. The entire coverage may be placed with eligible surplus lines insurers if it can be shown that the eligible surplus lines insurer will accept the entire coverage but not the rejected portion alone; and

(b) any coverage that the ~~licensee~~ broker is unable to procure after diligent search among licensed insurers.

Subd. 5. **Streamlined application for exempt commercial purchasers.** A surplus lines broker is not required to make a diligent search to determine whether the full amount or type of insurance can be obtained from licensed insurers when the broker is seeking to procure or place nonadmitted insurance for an exempt commercial purchaser provided:

(1) the broker procuring or placing the nonadmitted insurance has disclosed to the exempt commercial purchaser that the insurance may or may not be available from a licensed insurer that may provide greater protection with more regulatory oversight; and

(2) the exempt commercial purchaser has subsequently requested in writing for the broker to procure or place the insurance from a nonadmitted insurer.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 14. Minnesota Statutes 2010, section 60A.202, is amended to read:

**60A.202 EVIDENCE OF PLACEMENT OF INSURANCE BY ~~LICENSEE~~ BROKER.**

Subdivision 1. **Restriction.** Only a surplus lines ~~licensee~~ broker shall issue evidence of placement of insurance with ~~an eligible or ineligible surplus lines~~ a nonadmitted insurer.

Subd. 2. **Written communication of coverage to be delivered.** A ~~licensee~~ broker shall, within seven working days after the date on which the risk was bound or the insured or applicant was advised that coverage has been or will be obtained, deliver to the insured or the insured's representative a policy, a written binder, a certificate or other written evidence of insurance placed with ~~an eligible or ineligible surplus lines~~ a nonadmitted insurer.

Subd. 3. **Contents of written communication.** The written communication showing that insurance has been obtained shall identify all known ~~surplus lines nonadmitted~~ insurers directly assuming any risk of loss. If there is more than one ~~surplus lines nonadmitted~~ insurer, any document issued or certified by the ~~licensee~~ broker pursuant to subdivision 2 shall specify, to the extent known by the ~~licensee~~ broker, whether the obligation is joint or several, and if the obligation is several, the proportion of the obligation assumed by each insurer.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 15. Minnesota Statutes 2010, section 60A.203, is amended to read:

**60A.203 RETENTION OF RECORDS.**

Each surplus lines ~~licensee~~ broker shall keep a separate account of each transaction entered into pursuant to sections 60A.195 to 60A.209. Evidence of these transactions shall be documented in the form and manner designated by the commissioner and retained by the ~~licensee~~ broker for a minimum of five years. The forms must be readily available for review and audit by the commissioner.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 16. Minnesota Statutes 2010, section 60A.204, subdivision 2, is amended to read:

Subd. 2. **Regulation of fees and commissions.** A surplus lines ~~licensee~~ broker may charge a fee and commission, in addition to the premium, that is not excessive or discriminatory. The ~~licensee~~ broker shall maintain complete documentation of all fees and commissions charged.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 17. Minnesota Statutes 2010, section 60A.205, subdivision 1, is amended to read:

Subdivision 1. **Authorization.** A surplus lines ~~licensee~~ broker may be compensated by an eligible surplus lines insurer and the ~~licensee~~ broker may compensate a licensed agent in this state for obtaining ~~surplus lines nonadmitted~~ insurance business. A licensed agent authorized by the ~~licensee~~ broker may collect a premium on behalf of the ~~licensee~~ broker, and as between the insured and the ~~licensee~~ broker, the ~~licensee~~ broker shall be considered to have received the premium if the premium payment has been made to the agent.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 18. Minnesota Statutes 2010, section 60A.205, subdivision 2, is amended to read:

Subd. 2. **Consequences of receipt.** If an eligible surplus lines insurer has assumed a risk, and if the premium for that risk has been received by the ~~licensee~~ broker who placed the insurance, then as between the insurer and the insured, the insurer shall be considered to have received the premium due to it for the coverage and shall be liable to the insured for any loss covered by the insurance and for the unearned premium upon cancellation of the insurance, regardless of whether the ~~licensee~~ broker is indebted to the insurer.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 19. Minnesota Statutes 2010, section 60A.206, subdivision 1, is amended to read:

Subdivision 1. **Insurers to be recognized by commissioner.** A surplus lines ~~licensee~~ broker shall place ~~surplus lines nonadmitted~~ insurance only with insurers which are in a stable and unimpaired financial condition. An insurer recognized by the commissioner as an eligible surplus lines insurer pursuant to subdivision 2 shall be considered to meet the requirements of this subdivision. Recognition as an eligible surplus lines insurer shall be conditioned upon the insurers continued compliance with sections 60A.195 to 60A.209.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 20. Minnesota Statutes 2010, section 60A.206, subdivision 3, is amended to read:

Subd. 3. **Standards to be met by insurers.** (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 60A.195 to 60A.209. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize ~~an~~ a foreign insurer as an eligible surplus lines insurer unless the insurer ~~continuously maintains capital and surplus of at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Nonadmitted Insurers Information Office.;~~

(1) is domiciled within a United States jurisdiction and authorized to write the type of insurance in its domiciliary jurisdiction; and

(2) qualifies under one of the following items:

(i) has capital and surplus or its equivalent under the laws of its domiciliary jurisdiction which equals the greater of:

(A) the minimum capital and surplus requirements under the laws of Minnesota; or

(B) \$15,000,000; or

(ii) the requirements of item (i)(A) may be satisfied by an insurer's possessing less than the minimum capital and surplus upon an affirmative finding of acceptability by the commissioner. The finding shall be based upon factors such as quality of management, capital and surplus of any parent company, company underwriting profit and investment income trends, market availability, and company record and reputation within the industry. In no event shall the commissioner make an affirmative finding of acceptability when the surplus lines insurer's capital and surplus is less than \$4,500,000.

(c) Eligible surplus lines insurers domiciled within the United States shall file an annual statement and an annual financial audit, under the terms and conditions of section 60A.13, subdivisions 1, 3a, and 6, and are subject to the penalties of section 72A.061, and are subject to section 60A.03, subdivision 5, in regard to those requirements. The commissioner also has the powers provided in section 60A.13, subdivision 2, in regard to eligible surplus lines insurers.

(d) Eligible surplus lines insurers domiciled outside the United States shall file an annual statement on the standard nonadmitted insurers information office financial reporting format as prescribed by the National Association of Insurance Commissioners and an annual financial audit performed by an independent accounting firm. The commissioner shall not prohibit a surplus lines broker from placing nonadmitted insurance with, or procuring nonadmitted insurance from, an alien insurer that is included on the Quarterly Listing of Alien Insurers maintained by the National Association of Insurance Commissioners International Insurers Department.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 21. Minnesota Statutes 2010, section 60A.207, is amended to read:

**60A.207 POLICIES TO INCLUDE NOTICE.**

Each policy, cover note, or instrument evidencing ~~surplus lines nonadmitted~~ insurance from an eligible surplus lines insurer which is delivered to an insured or a representative of an insured shall have printed, typed, or stamped upon its face in not less than 10 point type, the following notice: "THIS INSURANCE IS ISSUED PURSUANT

TO THE MINNESOTA SURPLUS LINES INSURANCE ACT. THE INSURER IS AN ELIGIBLE SURPLUS LINES INSURER BUT IS NOT OTHERWISE LICENSED BY THE STATE OF MINNESOTA. IN CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED." This notice shall not be covered or concealed in any manner.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 22. Minnesota Statutes 2010, section 60A.208, is amended to read:

**60A.208 LICENSEE BROKER ASSOCIATION.**

Subdivision 1. **Licensee's Broker's right to associate.** Surplus lines ~~licensees~~ brokers may associate and the commissioner may register the association for one or more of the following purposes:

(a) advising the commissioner as to the availability of ~~surplus lines~~ nonadmitted insurance coverage and market practices and standards for ~~surplus lines~~ nonadmitted insurers and ~~licensees~~ brokers;

(b) collecting and furnishing records and statistics; or

(c) submitting recommendations regarding administration of sections 60A.195 to 60A.209.

Subd. 2. **Filing requirements.** (a) Each association shall file with the commissioner for approval all of the following:

(1) a copy of the association's constitution and articles of agreement or association, or the association's certificate of incorporation and bylaws and any rules governing the association's activities; and

(2) an agreement that, as a condition of continued registration under subdivision 1, the commissioner may examine the association.

(b) Each association shall file with the commissioner and keep current all of the following:

(1) a list of members; and

(2) the name and address of a resident of this state upon whom notices or orders of the commissioner or process issued by the commissioner may be served.

Subd. 3. **Commissioner's powers; suspension of registration.** The commissioner may refuse to register, or may suspend or revoke the registration of an association for any of the following reasons:

(a) it reasonably appears that the association will not be able to carry out the purposes of sections 60A.195 to 60A.209;

(b) the association fails to maintain and enforce rules which will assure that members of the association and persons associated with those members comply with sections 60A.195 to 60A.209, other applicable chapters of the insurance laws and rules promulgated under either;

(c) the rules of the association do not assure a fair representation of its members in the selection of directors and in the administration of its affairs;

(d) the rules of the association do not provide for an equitable allocation of reasonable dues, fees, and other charges among members;

(e) the rules of the association impose a burden on competition; or

(f) the association fails to meet other applicable requirements prescribed in sections 60A.195 to 60A.209.

Subd. 4. **Membership limited to licensees brokers.** An association shall deny membership to any person who is not a licensee broker.

Subd. 5. **Association is voluntary.** No licensee broker may be compelled to join an association as a condition of receiving a license or continuing to be licensed under sections 60A.195 to 60A.209.

Subd. 6. **Financial statement to be filed.** Each association shall annually file a certified audited financial statement.

Subd. 7. **Reports and recommendations by the association.** An association may submit reports and make recommendations to the commissioner regarding the financial condition of any eligible surplus lines insurer. These reports and recommendations shall not be considered to be public information. There shall not be liability on the part of, or a cause of action of any nature shall not arise against, eligible surplus lines insurers, the association or its agents or employees, the directors, or the commissioner or authorized representatives of the commissioner, for statements made by them in any reports or recommendations made under this subdivision.

Subd. 8. **Operating assessment.** (a) Upon request from the association, the commissioner may approve the levy of an assessment of not more than one-half of one percent of premiums charged pursuant to sections 60A.195 to 60A.209 for operation of the association to the extent that the operation relieves the commissioner of duties otherwise required of the commissioner pursuant to sections 60A.195 to 60A.209. Any assessment so approved may be subtracted from the premium tax owed by the licensee broker under chapter 297I.

(b) The association may revoke the membership and the commissioner may revoke the license in this state, of any licensee broker who fails to pay an assessment when due, if the assessment has been approved by the commissioner.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 23. Minnesota Statutes 2010, section 60A.2085, subdivision 1, is amended to read:

Subdivision 1. **Association created; duties.** There is hereby created a nonprofit association to be known as the Surplus Lines Association of Minnesota. The association is not a state agency for purposes of chapter 16A, 16B, 16C, or 43A. All surplus lines licensees brokers are members of this association. Section 60A.208 does not apply to the association created pursuant to the provisions of this section. The association shall perform its functions under the plan of operation established under subdivision 3 and must exercise its powers through a board of directors established under subdivision 2 as set forth in the plan of operation. The association shall be authorized and have the duty to:

(1) receive, record, and stamp all ~~surplus lines~~ nonadmitted insurance documents that surplus lines licensees brokers are required to file with the association;

(2) prepare and deliver monthly to the commissioners of revenue and commerce a report regarding surplus lines business. The report must include a list of all the business procured during the preceding month, in the form the commissioners prescribe;

(3) educate its members regarding the surplus lines law of this state including insurance tax responsibilities and the rules and regulations of the commissioners of revenue and commerce relative to ~~surplus lines~~ nonadmitted insurance;

(4) communicate with organizations of agents, brokers, and admitted insurers with respect to the proper use of the surplus lines market;

(5) employ and retain persons necessary to carry out the duties of the association;

(6) borrow money necessary to effect the purposes of the association and grant a security interest or mortgage in its assets, including the stamping fees charged pursuant to subdivision 7 in order to secure the repayment of any such borrowed money;

(7) enter contracts necessary to effect the purposes of the association;

(8) provide other services to its members that are incidental or related to the purposes of the association;

(9) form and organize itself as a nonprofit corporation under chapter 317A, with the powers set forth in section 317A.161 that are not otherwise limited by this section or in its articles, bylaws, or plan of operation;

(10) file such applications and take such other action as necessary to establish and maintain the association as tax exempt pursuant to the federal income tax code;

(11) recommend to the commissioner of commerce revisions to Minnesota law relating to the regulation of ~~surplus lines~~ nonadmitted insurance in order to improve the efficiency and effectiveness of that regulation; and

(12) take other actions reasonably required to implement the provisions of this section.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 24. Minnesota Statutes 2010, section 60A.2085, subdivision 3, is amended to read:

Subd. 3. **Plan of operation.** (a) The plan of operation shall provide for the formation, operation, and governance of the association as a nonprofit corporation under chapter 317A. The plan of operation must provide for the election of a board of directors by the members of the association. The board of directors shall elect officers as provided for in the plan of operation. The plan of operation shall establish the manner of voting and may weigh each member's vote to reflect the annual ~~surplus lines~~ nonadmitted insurance premium written by the member. Members employed by the same or affiliated employers may consolidate their premiums written and delegate an individual officer or partner to represent the member in the exercise of association affairs, including service on the board of directors.

(b) The plan of operation shall provide for an independent audit once each year of all the books and records of the association and a report of such independent audit shall be made to the board of directors, the commissioner of revenue, and the commissioner of commerce, with a copy made available to each member to review at the association office.

(c) The plan of operation and any amendments to the plan of operation shall be submitted to the commissioner and shall be effective upon approval in writing by the commissioner. The association and all members shall comply with the plan of operation or any amendments to it. Failure to comply with the plan of operation or any amendments shall constitute a violation for which the commissioner may issue an order requiring discontinuance of the violation.

(d) If the interim board of directors fails to submit a suitable plan of operation within 60 days following the creation of the interim board, or if at any time thereafter the association fails to submit required amendments to the plan, the commissioner may submit to the association a plan of operation or amendments to the plan, which the association must follow. The plan of operation or amendments submitted by the commissioner shall continue in force until amended by the commissioner or superseded by a plan of operation or amendment submitted by the association and approved by the commissioner. A plan of operation or an amendment submitted by the commissioner constitutes an order of the commissioner.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 25. Minnesota Statutes 2010, section 60A.2085, subdivision 7, is amended to read:

Subd. 7. **Stamping fee.** The services performed by the association shall be funded by a stamping fee assessed for each premium-bearing document submitted to the association. The stamping fee shall be established by the board of directors of the association from time to time. The stamping fee shall be paid by the insured to the surplus lines ~~licensee~~ broker and remitted to the association by the surplus lines ~~licensee~~ broker in the manner established by the association.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 26. Minnesota Statutes 2010, section 60A.2085, subdivision 8, is amended to read:

Subd. 8. **Data classification.** Unless otherwise classified by statute, a temporary classification under section 13.06, or federal law, information obtained by the commissioner from the association is public, except that any data identifying insureds or the Social Security number of a ~~licensee~~ broker or any information derived therefrom is private data on individuals or nonpublic data as defined in section 13.02, subdivisions 9 and 12.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 27. Minnesota Statutes 2010, section 60A.2086, subdivision 1, is amended to read:

Subdivision 1. **Submission of documents to Surplus Lines Association of Minnesota; certification.** (a) A surplus lines ~~licensee~~ broker shall submit every insurance policy or contract issued under the ~~licensee's~~ broker's license to the Surplus Lines Association of Minnesota for recording and stamping. The submission and stamping must be effected through electronic means. The submission must include:

- (1) the name of the insured;
- (2) a description and location of the insured property or risk;
- (3) the amount insured;
- (4) the gross premiums charged or returned;

- (5) the name of the ~~surplus lines~~ nonadmitted insurer from whom coverage has been procured;
- (6) the kind or kinds of insurance procured; and
- (7) the amount of premium subject to tax.

(b) The submission of insurance policies or contracts to the Surplus Lines Association of Minnesota constitutes a certification by the surplus lines ~~licensee broker~~, or by the insurance producer who presented the risk to the surplus lines ~~licensee broker~~ for placement as a surplus lines risk, that the insurance policies or contracts were procured in accordance with sections 60A.195 to 60A.209.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 28. Minnesota Statutes 2010, section 60A.2086, subdivision 2, is amended to read:

Subd. 2. **Stamping requirement; penalty.** (a) It shall be unlawful for an insurance agent, broker, or surplus lines ~~licensee broker~~ to deliver in this state any ~~surplus lines nonadmitted~~ insurance policy or contract unless the insurance document is stamped by the association. A ~~licensee's surplus lines broker's~~ failure to comply with the requirements of this subdivision shall not affect the validity of the coverage.

(b) Any insurance agent, ~~broker~~, or surplus lines ~~licensee broker~~ who delivers in this state any insurance policy or contract that has not been stamped by the association shall be subject to a penalty payable to the commissioner as follows:

- (1) \$50 for delivery of the first unstamped policy;
- (2) \$250 for delivery of a second unstamped policy; and
- (3) \$1,000 per policy for delivery of any additional unstamped policies.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 29. Minnesota Statutes 2010, section 60A.209, subdivision 1, is amended to read:

Subdivision 1. **Authorization; regulation.** A resident of this state may obtain insurance from an ineligible surplus lines insurer in this state through a surplus lines ~~licensee broker~~. The ~~licensee broker~~ shall first attempt to place the insurance with a licensed insurer, or if that is not possible, with an eligible surplus lines insurer. If coverage is not obtainable from a licensed insurer or an eligible surplus lines insurer, the ~~licensee broker~~ shall certify to the commissioner, on a form prescribed by the commissioner, that these attempts were made. Upon obtaining coverage from an ineligible surplus lines insurer, the ~~licensee broker~~ shall:

(a) Have printed, typed, or stamped in red ink upon the face of the policy in not less than 10-point type the following notice: "THIS INSURANCE IS ISSUED PURSUANT TO THE MINNESOTA SURPLUS LINES INSURANCE ACT. THIS INSURANCE IS PLACED WITH AN INSURER THAT IS NOT LICENSED BY THE STATE NOR RECOGNIZED BY THE COMMISSIONER OF COMMERCE AS AN ELIGIBLE SURPLUS LINES INSURER. IN CASE OF ANY DISPUTE RELATIVE TO THE TERMS OR CONDITIONS OF THE POLICY OR THE PRACTICES OF THE INSURER, THE COMMISSIONER OF COMMERCE WILL NOT BE ABLE TO ASSIST IN THE DISPUTE. IN CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED." The notice may not be covered or concealed in any manner; and

(b) Collect from the insured appropriate premium taxes, as provided under chapter 297I, and report the transaction to the commissioner of revenue on a form prescribed by the commissioner. If the insured fails to pay the taxes when due, the insured shall be subject to a civil fine of not more than \$3,000, plus accrued interest from the inception of the insurance.

**EFFECTIVE DATE.** This section is effective for nonadmitted insurance policies that go into effect after July 20, 2011.

Sec. 30. Minnesota Statutes 2010, section 60K.56, subdivision 6, is amended to read:

Subd. 6. **Minimum education requirement.** Each person subject to this section shall complete a minimum of 24 credit hours of courses accredited by the commissioner during each licensing period. No more than one-half of the credit hours per licensing period required under this section may be credited to a person for attending courses either sponsored by, offered by, or affiliated with an insurance company or its agents. For the purposes of this subdivision, a course provided by a bona fide insurance trade association is not considered to be sponsored by, offered by, or affiliated with an insurance company or its agents regardless of the location of the course offering. A licensee must obtain three hours of the credit hours per licensing period from a class or classes in the area of ethics. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency. Courses not sponsored by an insurance company must be open to all unless an exception listed in section 45.30 applies.

Sec. 31. Minnesota Statutes 2010, section 62A.095, subdivision 1, is amended to read:

Subdivision 1. **Applicability.** (a) ~~No~~ A health plan ~~shall~~ may not be offered, sold, or issued to a resident of this state, or to cover a resident of this state, unless the health plan complies with subdivision 2.

(b) Health plans providing benefits under health care programs administered by the commissioner of human services are not subject to the limits described in subdivision 2 but are subject to the right of subrogation provisions under section 256B.37 and the lien provisions under section 256.015; 256B.042; 256D.03, subdivision 8; or 256L.03, subdivision 6.

For purposes of this section, "health plan" includes coverage that is excluded under section 62A.011, subdivision 3, clauses (4), ~~(6)~~, (7), ~~(8)~~, ~~(9)~~, and (10).

Sec. 32. Minnesota Statutes 2010, section 62A.318, subdivision 17, is amended to read:

Subd. 17. **Types of plans.** Medicare select policies and certificates offered by the issuer ~~must be either a basic plan or an extended basic plan~~ provide the coverages specified in sections 62A.315 to 62A.3165. Before a Medicare select policy or certificate is sold or issued in this state, the applicant must be provided with an explanation of coverage for ~~both a Medicare select basic and a Medicare select extended basic policy or certificate~~ each of the coverages specified in sections 62A.315 to 62A.3165 and must be provided with the opportunity of purchasing ~~either a Medicare select basic or a Medicare select extended basic policy~~ such coverage if offered by the issuer. The basic plan may also include any of the optional benefit riders authorized by section 62A.316. Preventive care provided by Medicare select policies or certificates must be provided as set forth in section 62A.315 or 62A.316, except that the benefits are as defined in chapter 62D.

Sec. 33. Minnesota Statutes 2010, section 62E.14, subdivision 3, is amended to read:

Subd. 3. **Preexisting conditions.** ~~No~~ A person who obtains coverage pursuant to this section ~~shall be~~ is not covered for any preexisting condition during the first six months of coverage under the state plan if the person was diagnosed or treated for that condition during the 90 days immediately preceding the date the application was received by the writing carrier, except as provided under subdivisions 3a, 4, 4a, 4b, 4c, 4d, ~~4e~~, 5, 6, and 7 and section 62E.18.

Sec. 34. Minnesota Statutes 2010, section 62E.14, is amended by adding a subdivision to read:

**Subd. 4f. Waiver of preexisting conditions; persons covered by a community-based health care coverage program.** A person may enroll in the comprehensive plan, with a waiver of preexisting condition limitation in subdivision 3, if the following requirements are met:

(1) the person was formerly enrolled in a community-based health care coverage program under section 62Q.80;

(2) the person is a Minnesota resident; and

(3) the person submits an application for coverage that is received by the writing carrier no later than 90 days after coverage under the community-based health care program is terminated. For purposes of this clause, termination of coverage includes exceeding the maximum lifetime or annual benefit on existing coverage, or moving out of an area served by the program.

Sec. 35. Minnesota Statutes 2010, section 62L.03, subdivision 3, is amended to read:

**Subd. 3. Minimum participation and contribution.** (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of each eligible employee must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) coverage under Medicare Parts A and B; or (3) ~~coverage under MCHA permitted under section 62E.141; or~~ (4) coverage under medical assistance under chapter 256B or general assistance medical care under chapter 256D.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual health plans, or a health benefit plan which must fully comply with this chapter. A health carrier that provides a health benefit plan to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers the individual health plan, on a guaranteed issue basis, to all other employees of the same employer. An arrangement permitted under section 62L.12, subdivision 2, paragraph (k), is not an arrangement between the employer and the health carrier for purposes of this paragraph.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer. This paragraph does not apply if the small employer will meet the required participation level with respect to the new coverage.

Sec. 36. Minnesota Statutes 2010, section 72A.20, subdivision 24, is amended to read:

**Subd. 24. Cancellations and nonrenewals.** No insurer shall cancel or fail to renew an individual life or individual health policy or an individual nonprofit health service plan subscriber contract for nonpayment of premium unless it mails or delivers to the named ~~insured policy owner~~, at the ~~address shown on the policy or subscriber contract~~ policy owner's last known address, at least 30 days before lapse, final notice of the cancellation or nonrenewal and the effective date of the cancellation or nonrenewal.

If the named insured is not the policy or subscriber contract owner on an individual health policy or an individual nonprofit health service plan subscriber contract, the notice required by this subdivision must also be sent to the insured at the insured's last known address, if any, and to the owner's last known address.

Proof of mailing of the notice of lapse for failure to pay the premium before the expiration of the grace period is sufficient proof that notice required in this subdivision has been given.

This subdivision does not apply to a life or health insurance policy or contract upon which premiums are paid at a monthly interval or less and that contains any grace period required by statute for the payment of premiums during which time the insurance continues in force.

Sec. 37. Minnesota Statutes 2010, section 72B.041, subdivision 5, is amended to read:

Subd. 5. **Exceptions.** (a) An individual who applies for an adjuster license in this state who is or was licensed in another state for the same lines of authority based on an adjuster examination is not required to complete a prelicensing examination. This exemption is only available if the person is currently licensed in another state or if that state license has expired and the application is received by this state within 90 days of expiration. The applicant must provide certification from the other state that the applicant's license is currently in good standing or was in good standing at the time of expiration or certification from the other state that its producer database records, maintained by the NAIC, its affiliates, or its subsidiaries, indicate that the applicant or the applicant's company is or was licensed in good standing. The certification must be of a license with the same line of authority for which the individual has applied.

(b) A person licensed as an adjuster in another state based on an adjuster examination who establishes legal residency in this state must make application within 90 days to become a resident adjuster licensee pursuant to this section, with the exception that no prelicensing examination is required of this person.

~~(c) A person who has held a license of any given class or in any field or fields within three years prior to the application shall be entitled to a renewal of the license in the same class or in the same fields without taking an examination.~~

~~(d) A person applying for a license as a crop hail adjuster shall not be required to comply with the requirements of subdivision 4.~~

(d) A person applying for the crop line of authority who has satisfactorily completed the National Crop Insurance Services Crop Adjuster Proficiency Program or the loss adjustment training curriculum and competency testing required by the Federal Crop Insurance Corporation Standard Reinsurance Agreement is exempt from the requirements of subdivision 4.

Sec. 38. **[72B.055] MULTIPLE PERIL CROP INSURANCE ADJUSTMENTS.**

A licensed crop hail adjuster who has satisfactorily completed the loss adjustment training curriculum and competency testing required by the Federal Crop Insurance Corporation (FCIC) Standard Reinsurance Agreement may act as an adjuster in this state in regard to Multiple Peril Crop Insurance policies regulated by the FCIC.

Sec. 39. Minnesota Statutes 2010, section 79A.06, subdivision 5, is amended to read:

Subd. 5. **Private employers who have ceased to be self-insured.** (a) Private employers who have ceased to be private self-insurers shall discharge their continuing obligations to secure the payment of compensation which is accrued during the period of self-insurance, for purposes of Laws 1988, chapter 674, sections 1 to 21, by compliance with all of the following obligations of current certificate holders:

(1) Filing reports with the commissioner to carry out the requirements of this chapter;

(2) Depositing and maintaining a security deposit for accrued liability for the payment of any compensation which may become due, pursuant to chapter 176. However, if a private employer who has ceased to be a private self-insurer purchases an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the entire period the employer was self-insured, whether or not reported during that period, the policy will:

(i) discharge the obligation of the employer to maintain a security deposit for the payment of the claims covered under the policy;

(ii) discharge any obligation which the self-insurers' security fund has or may have for payment of all claims for compensation arising out of injuries occurring during the period the employer was self-insured, whether or not reported during that period; and

(iii) discharge the obligations of the employer to pay any future assessments to the self-insurers' security fund; provided, however, that a member that terminates its self-insurance authority on or after August 1, 2010, shall be liable for an assessment under paragraph (b). The actuarial opinion shall not take into consideration any transfer of the member's liabilities to an insurance policy if the member obtains a replacement policy as described in this subdivision within one year of the date of terminating its self-insurance.

A private employer who has ceased to be a private self-insurer may instead buy an insurance policy described above, except that it covers only a portion of the period of time during which the private employer was self-insured; purchase of such a policy discharges any obligation that the self-insurers' security fund has or may have for payment of all claims for compensation arising out of injuries occurring during the period for which the policy provides coverage, whether or not reported during that period.

A policy described in this clause may not be issued by an insurer unless it has previously been approved as to the insurer, form, and substance by the commissioner; and

(3) Paying within 30 days all assessments of which notice is sent by the security fund, for a period of seven years from the last day its certificate of self-insurance was in effect. Thereafter, the private employer who has ceased to be a private self-insurer may either: (i) continue to pay within 30 days all assessments of which notice is sent by the security fund until it has no incurred liabilities for the payment of compensation arising out of injuries during the period of self-insurance; or (ii) pay the security fund a cash payment equal to four percent of the net present value of all remaining incurred liabilities for the payment of compensation under sections 176.101 and 176.111 as certified by a member of the casualty actuarial society. Assessments shall be based on the benefits paid by the employer during the calendar year immediately preceding the calendar year in which the employer's right to self-insure is terminated or withdrawn.

(b) With respect to a self-insurer who terminates its self-insurance authority after April 1, 1998, that member shall obtain and file with the commissioner an actuarial opinion of its outstanding liabilities as determined by an associate or fellow of the Casualty Actuarial Society within 120 days of the date of its termination. If the actuarial opinion is not timely filed, the self-insurers' security fund may, at its discretion, engage the services of an actuary for this purpose. The expense of this actuarial opinion must be assessed against and be the obligation of the self-insurer. The commissioner may issue a certificate of default against the self-insurer for failure to pay this assessment to the self-insurers' security fund as provided by section 79A.04, subdivision 9. The opinion may discount liabilities up to four percent per annum to net present value. Within 60 days after notification of approval of the actuarial opinion by the commissioner, the exiting member shall pay to the security fund an amount determined as follows: a percentage will be determined by dividing the security fund's members' deficit as determined by the most recent audited financial statement of the security fund by the total actuarial liability of all members of the security fund as

calculated by the commissioner within 30 days of the exit date of the member. This quotient will then be multiplied by that exiting member's total future liability as contained in the exiting member's actuarial opinion. If the payment is not made within 30 days of the notification, interest on it at the rate prescribed by section 549.09 must be paid by the former member to the security fund until the principal amount is paid in full.

(c) A former member who terminated its self-insurance authority before April 1, 1998, who has paid assessments to the self-insurers' security fund for seven years, and whose annualized assessment is \$15,000 or less, may buy out of its outstanding liabilities to the self-insurers' security fund by an amount calculated as follows: 1.35 multiplied by the indemnity case reserves at the time of the calculation, multiplied by the then current self-insurers' security fund annualized assessment rate.

(d) A former member who terminated its self-insurance authority before April 1, 1998, and who is paying assessments within the first seven years after ceasing to be self-insured under paragraph (a), clause (3), may elect to buy out its outstanding liabilities to the self-insurers' security fund by obtaining and filing with the commissioner an actuarial opinion of its outstanding liabilities as determined by an associate or fellow of the Casualty Actuarial Society. The opinion must separate liability for indemnity benefits from liability for medical benefits, and must discount each up to four percent per annum to net present value. Within 30 days after notification of approval of the actuarial opinion by the commissioner, the member shall pay to the security fund an amount equal to 120 percent of that discounted outstanding indemnity liability, multiplied by the greater of the average annualized assessment rate since inception of the security fund or the annual rate at the time of the most recent assessment.

(e) A former member who has paid the security fund according to paragraphs (b) to (d) and subsequently receives authority from the commissioner to again self-insure shall be assessed under section 79A.12, subdivision 2, only on indemnity benefits paid on injuries that occurred after the former member received authority to self-insure again; provided that the member furnishes verified data regarding those benefits to the security fund.

(f) In addition to proceedings to establish liabilities and penalties otherwise provided, a failure to comply may be the subject of a proceeding before the commissioner. An appeal from the commissioner's determination may be taken pursuant to the contested case procedures of chapter 14 within 30 days of the commissioner's written determination.

Any current or past member of the self-insurers' security fund is subject to service of process on any claim arising out of chapter 176 or this chapter in the manner provided by section 5.25, or as otherwise provided by law. The issuance of a certificate to self-insure to the private self-insured employer shall be deemed to be the agreement that any process which is served in accordance with this section shall be of the same legal force and effect as if served personally within this state.

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

Sec. 40. Minnesota Statutes 2010, section 79A.24, is amended by adding a subdivision to read:

**Subd. 5. Purchase of insurance policy from an authorized insurer.** A commercial self-insurance group may purchase an insurance policy from an insurer authorized to transact workers' compensation insurance in this state which provides coverage of all claims for compensation arising out of injuries occurring during the entire period or during a portion of the period of time in which the commercial self-insurance group has been in existence. While the insurance policy remains in effect, it discharges the obligation of the commercial self-insurance group to maintain a security deposit for the claims covered under the policy. A policy described in this subdivision may not be issued by an insurer unless it has previously been approved as to the insurer, form, and substance by the commissioner.

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

Sec. 41. Minnesota Statutes 2010, section 79A.24, is amended by adding a subdivision to read:

Subd. 6. **Insolvency of a commercial self-insurance group insurer.** In the event of the insolvency of the insurer that issued a policy under subdivision 5 to a commercial self-insurance group, eligibility for chapter 60C coverage under the policy is determined by applying the requirements of section 60C.09, subdivision 2, clause (3), to each commercial self-insurance group member separately, rather than to the net worth of the commercial self-insurance group entity or aggregate net worth of all members of the commercial self-insurance group.

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

Sec. 42. Minnesota Statutes 2010, section 82.641, subdivision 1, is amended to read:

Subdivision 1. **Generally License required.** A person shall not act as a real estate closing agent unless licensed as provided in this section. The commissioner shall issue a license as a closing agent to a person who qualifies for the license under the terms of this chapter.

Sec. 43. Minnesota Statutes 2010, section 82B.11, subdivision 6, is amended to read:

Subd. 6. **Temporary practice.** (a) The commissioner shall issue a license for temporary practice as a real estate appraiser under subdivision 3, 4, or 5 to a person certified or licensed by another state if:

(1) the property to be appraised is part of a federally related transaction and the person is licensed to appraise property limited to the same transaction value or complexity provided in subdivision 3, 4, or 5;

(2) the appraiser's business is of a temporary nature; and

(3) the appraiser registers with the commissioner to obtain a temporary license before conducting appraisals within the state.

(b) The term of a temporary practice license is the lesser of:

(1) the time required to complete the assignment; or

(2) ~~six 12~~ months, ~~with one extension allowed.~~

~~The appraiser may request one extension of no more than six months on a form provided by the commissioner. If more than 12 months are necessary to complete the assignment, a new temporary application and fee is required.~~

Sec. 44. Minnesota Statutes 2010, section 82B.13, is amended by adding a subdivision to read:

Subd. 8. **Appraiser prelicense education.** Notwithstanding section 45.22, a college or university real estate course may be approved retroactively by the commissioner for appraiser prelicense education credit if:

(1) the course was offered by a college or university physically located in Minnesota;

(2) the college or university was an approved education provider at the time the course was offered; and

(3) the commissioner's approval is made to the same extent in terms of courses and hours and with the same time limits as those specified by the Appraiser Qualifications Board.

Sec. 45. Minnesota Statutes 2010, section 82B.14, is amended to read:

**82B.14 EXPERIENCE REQUIREMENT.**

(a) As a prerequisite for licensing as a licensed real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,000 hours of experience in real property appraisal obtained in no fewer than 12 months.

As a prerequisite for licensing as a certified residential real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 2,500 hours of experience in real property appraisal obtained in no fewer than 24 months.

As a prerequisite for licensing as a certified general real property appraiser, an applicant must present evidence satisfactory to the commissioner that the person has obtained 3,000 hours of experience in real property appraisal obtained in no fewer than 30 months. At least 50 percent, or 1,500 hours, must be in nonresidential appraisal work.

(b) Each applicant for license under section 82B.11, subdivision 3, 4, or 5, shall give under oath a detailed listing of the real estate appraisal reports or file memoranda for which experience is claimed by the applicant. Upon request, the applicant shall make available to the commissioner for examination, a sample of appraisal reports that the applicant has prepared in the course of appraisal practice.

~~(c) Notwithstanding section 45.22, a college or university real estate course may be approved retroactively by the commissioner for appraiser prelicense education credit if:~~

~~(1) the course was offered by a college or university physically located in Minnesota;~~

~~(2) the college or university was an approved education provider at the time the course was offered;~~

~~(3) the commissioner's approval is made to the same extent in terms of courses and hours and with the same time limits as those specified by the Appraiser Qualifications Board.~~

~~(c)~~ (c) Applicants may not receive credit for experience accumulated while unlicensed, if the experience is based on activities which required a license under this section.

~~(d)~~ (d) Experience for all classifications must be obtained after January 30, 1989, and must be USPAP compliant.

Sec. 46. Minnesota Statutes 2010, section 82C.08, subdivision 2, is amended to read:

Subd. 2. **Amounts.** (a) Each application for initial licensure shall be accompanied by a fee of \$5,000.

(b) Each application for renewal of the license must be received prior to ~~the two-year~~ its expiration ~~period~~ with the renewal fee of \$2,500.

Sec. 47. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall recode Minnesota Statutes, section 60A.19, subdivision 8, as section 60A.198, subdivision 7."

Delete the title and insert:

"A bill for an act relating to commerce; regulating continuing education and prelicensing requirements, insurance coverages, nonadmitted insurers, insolvencies, adjusters, and appraisers; amending Minnesota Statutes 2010, sections 45.011, subdivision 1; 45.25, by adding subdivisions; 45.30, subdivision 7, by adding a subdivision; 45.35; 60A.19, subdivision 8; 60A.196; 60A.198; 60A.199, subdivision 1; 60A.201; 60A.202; 60A.203; 60A.204, subdivision 2; 60A.205, subdivisions 1, 2; 60A.206, subdivisions 1, 3; 60A.207; 60A.208; 60A.2085, subdivisions 1, 3, 7, 8; 60A.2086, subdivisions 1, 2; 60A.209, subdivision 1; 60K.56, subdivision 6; 62A.095, subdivision 1; 62A.318, subdivision 17; 62E.14, subdivision 3, by adding a subdivision; 62L.03, subdivision 3; 72A.20, subdivision 24; 72B.041, subdivision 5; 79A.06, subdivision 5; 79A.24, by adding subdivisions; 82.641, subdivision 1; 82B.11, subdivision 6; 82B.13, by adding a subdivision; 82B.14; 82C.08, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 45; 72B."

The motion prevailed and the amendment was adopted.

Hoppe moved to amend S. F. No. 1045, the first engrossment, as amended, as follows:

Page 3, after line 18, insert:

"Sec. 9. Minnesota Statutes 2010, section 60A.06, subdivision 3, is amended to read:

Subd. 3. **Limitation on combination policies.** (a) Unless specifically authorized by subdivision 1, clause (4), it is unlawful to combine in one policy coverage permitted by subdivision 1, clauses (4) and (5)(a). This subdivision does not prohibit the simultaneous sale of these products, but the sale must involve two separate and distinct policies.

(b) This subdivision does not apply to group policies.

(c) This subdivision does not apply to policies permitted by subdivision 1, clause (4), that contain benefits providing acceleration of life, endowment, or annuity benefits in advance of the time they would otherwise be payable, or to long-term care policies as defined in section 62A.46, subdivision 2, or chapter 62S.

(d) This subdivision does not prohibit combining life coverage with one or more of the following coverages:

(1) specified disease or illness coverage;

(2) other limited benefit health coverage;

(3) hospital indemnity coverage;

(4) other fixed indemnity products,

provided that the prescribed minimum standards applicable to those categories of coverage are met."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hoppe moved to amend S. F. No. 1045, the first engrossment, as amended, as follows:

Page 22, delete section 36 and insert:

"Sec. 36. Minnesota Statutes 2010, section 72A.20, subdivision 24, is amended to read:

Subd. 24. **Cancellations and nonrenewals.** (a) No insurer shall ~~cancel or fail to renew an individual life or individual health policy or an individual nonprofit health service plan subscriber contract, within one year after default in the payment of any premium on an individual life insurance policy, declare the individual life insurance policy to be canceled or nonrenewed~~ for nonpayment of premium unless it mails or delivers to the ~~named insured policy owner, at the address shown on the policy or subscriber contract~~ policy owner's last known address, at least 30 days before lapse, final notice of the cancellation or nonrenewal and the effective date of the cancellation or nonrenewal. For purposes of this subdivision, "individual life insurance policy" includes policies in default on or after the effective date of this section.

(b) No insurer on an individual health policy or on an individual nonprofit health service plan corporation subscriber contract shall cancel or fail to renew the policy or contract for nonpayment of premium unless it mails or delivers to the named policy owner or named contract owner, at the policy or subscriber contract owner's last known address, at least 30 days before lapse, final notice of the cancellation or nonrenewal. If the named insured is not the policy or subscriber contract owner of the individual health policy or the individual nonprofit health service plan subscriber contract, the notice required by this subdivision must also be sent to the named insured at the named insured's last known address, if any, and to the owner's last known address.

(c) Proof of mailing of the notice of lapse under paragraph (a) or (b) for failure to pay the premium before the expiration of the grace period is sufficient proof that notice required in this subdivision has been given.

(d) This subdivision does not apply to a life or health insurance policy or contract upon which premiums are paid at a monthly interval or less and that contains any grace period required by statute for the payment of premiums during which time the insurance continues in force."

The motion prevailed and the amendment was adopted.

S. F. No. 1045, A bill for an act relating to commerce; regulating continuing education requirements, insurance coverages, adjusters, and appraisers; amending Minnesota Statutes 2010, sections 45.011, subdivision 1; 45.25, by adding subdivisions; 45.30, subdivision 7, by adding a subdivision; 45.35; 60K.56, subdivision 6; 62A.095, subdivision 1; 62A.318, subdivision 17; 62E.14, subdivision 3, by adding a subdivision; 62L.03, subdivision 3; 72B.041, subdivision 5; 79A.06, subdivision 5; 79A.24, by adding subdivisions; 82.641, subdivision 1; 82B.11, subdivision 6; 82B.13, by adding a subdivision; 82B.14; 82C.08, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 45; 72B; repealing Minnesota Statutes 2010, section 45.25, subdivision 3.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

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

Those who voted in the negative were:

Benson, M.	Franson	Quam	Runbeck
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The bill was passed, as amended, and its title agreed to.

H. F. No. 1384, A bill for an act relating to fraudulent transfers; excluding certain transfers to charitable or religious organizations from the fraudulent transfers act; amending Minnesota Statutes 2010, section 513.41.

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

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

Pursuant to rule 2.05, Hilstrom and Thissen were excused from voting on the final passage of H. F. No. 1384.

There were 129 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abeler	Champion	Eken	Hamilton	Kahn	Lesch
Anderson, B.	Clark	Erickson	Hancock	Kath	Liebling
Anderson, D.	Cornish	Fabian	Hansen	Kelly	Lillie
Anderson, P.	Crawford	Falk	Hausman	Kieffer	Loeffler
Anderson, S.	Daudt	Franson	Hayden	Kiel	Lohmer
Anzelc	Davids	Fritz	Hilty	Kiffmeyer	Loon
Atkins	Davnie	Garofalo	Holberg	Knuth	Mack
Banaian	Dean	Gauthier	Hoppe	Koenen	Mahoney
Barrett	Dettmer	Gottwalt	Hornstein	Kriesel	Mariani
Beard	Dill	Greene	Hortman	Laine	Marquart
Benson, J.	Dittrich	Greiling	Hosch	Lanning	Mazorol
Bills	Doepke	Gruenhagen	Howes	Leidiger	McDonald
Brynaert	Downey	Gunther	Huntley	LeMieur	McElpatrick
Carlson	Drazkowski	Hackbarth	Johnson	Lenczewski	McFarlane

McNamara	Murray	Persell	Scalze	Stensrud	Wardlow
Melin	Myhra	Petersen, B.	Schomacker	Swedzinski	Westrom
Moran	Nelson	Peterson, S.	Scott	Tillberry	Winkler
Morrow	Nornes	Poppe	Shimanski	Torkelson	Woodard
Mullery	Norton	Quam	Simon	Urdahl	Spk. Zellers
Murdock	O'Driscoll	Rukavina	Slawik	Vogel	
Murphy, E.	Paymar	Runbeck	Slocum	Wagenius	
Murphy, M.	Pelowski	Sanders	Smith	Ward	

Those who voted in the negative were:

Benson, M.	Buesgens	Peppin
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The bill was passed and its title agreed to.

H. F. No. 1179, A bill for an act relating to pupil transportation; modifying pupil transportation provisions; clarifying Department of Education's role in maintaining training programs; including use of certain lift buses in the category of revenue authorized for reimbursement; including actual contracted transportation costs as a method for allocating pupil transportation costs; amending Minnesota Statutes 2010, sections 123B.88, subdivision 13; 123B.90, subdivision 3; 123B.92, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.          Buesgens          Drazkowski          Quam

The bill was passed and its title agreed to.

H. F. No. 1332, A bill for an act relating to state government; modifying provisions governing the legislative auditor; amending Minnesota Statutes 2010, section 37.06; Laws 2010, chapter 361, article 3, section 8.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.          Franson          Quam

The bill was passed and its title agreed to.

S. F. No. 1285 was reported to the House.

Anderson, D., moved to amend S. F. No. 1285, the first engrossment, as follows:

Delete everything after the enacting clause and insert the following language of H. F. No. 1500, the second engrossment:

"Section 1. Minnesota Statutes 2010, section 245.462, subdivision 8, is amended to read:

Subd. 8. **Day treatment services.** "Day treatment," "day treatment services," or "day treatment program" means a structured program of treatment and care provided to an adult in or by: (1) a hospital accredited by the joint commission on accreditation of health organizations and licensed under sections 144.50 to 144.55; (2) a community mental health center under section 245.62; or (3) an entity that is under contract with the county board to operate a program that meets the requirements of section 245.4712, subdivision 2, and Minnesota Rules, parts 9505.0170 to 9505.0475. Day treatment consists of group psychotherapy and other intensive therapeutic services that are provided at least ~~one day~~ two days a week by a multidisciplinary staff under the clinical supervision of a mental health professional. Day treatment may include education and consultation provided to families and other individuals as part of the treatment process. The services are aimed at stabilizing the adult's mental health status, providing mental health services, and developing and improving the adult's independent living and socialization skills. The goal of day treatment is to reduce or relieve mental illness and to enable the adult to live in the community. Day treatment services are not a part of inpatient or residential treatment services. Day treatment services are distinguished from day care by their structured therapeutic program of psychotherapy services. The commissioner may limit medical assistance reimbursement for day treatment to 15 hours per week per person ~~instead of the three hours per day per person specified in Minnesota Rules, part 9505.0323, subpart 15.~~

Sec. 2. Minnesota Statutes 2010, section 245.467, subdivision 2, is amended to read:

Subd. 2. **Diagnostic assessment.** All providers of residential, acute care hospital inpatient, and regional treatment centers must complete a diagnostic assessment for each of their clients within five days of admission. Providers of outpatient and day treatment services must complete a diagnostic assessment within five days after the adult's second visit or within 30 days after intake, whichever occurs first. In cases where a diagnostic assessment is available and has been completed within ~~180 days~~ three years preceding admission, only ~~updating an adult diagnostic assessment update~~ updating an adult diagnostic assessment update is necessary. "Updating" An "adult diagnostic assessment update" means a written summary by a mental health professional of the adult's current mental health status and service needs and includes a face-to-face interview with the adult. If the adult's mental health status has changed markedly since the adult's most recent diagnostic assessment, a new diagnostic assessment is required. Compliance with the provisions of this subdivision does not ensure eligibility for medical assistance or general assistance medical care reimbursement under chapters 256B and 256D.

Sec. 3. Minnesota Statutes 2010, section 245.4874, subdivision 1, is amended to read:

Subdivision 1. **Duties of county board.** (a) The county board must:

(1) develop a system of affordable and locally available children's mental health services according to sections 245.487 to 245.4889;

(2) establish a mechanism providing for interagency coordination as specified in section 245.4875, subdivision 6;

(3) consider the assessment of unmet needs in the county as reported by the local children's mental health advisory council under section 245.4875, subdivision 5, paragraph (b), clause (3). The county shall provide, upon request of the local children's mental health advisory council, readily available data to assist in the determination of unmet needs;

(4) assure that parents and providers in the county receive information about how to gain access to services provided according to sections 245.487 to 245.4889;

(5) coordinate the delivery of children's mental health services with services provided by social services, education, corrections, health, and vocational agencies to improve the availability of mental health services to children and the cost-effectiveness of their delivery;

(6) assure that mental health services delivered according to sections 245.487 to 245.4889 are delivered expeditiously and are appropriate to the child's diagnostic assessment and individual treatment plan;

(7) provide the community with information about predictors and symptoms of emotional disturbances and how to access children's mental health services according to sections 245.4877 and 245.4878;

(8) provide for case management services to each child with severe emotional disturbance according to sections 245.486; 245.4871, subdivisions 3 and 4; and 245.4881, subdivisions 1, 3, and 5;

(9) provide for screening of each child under section 245.4885 upon admission to a residential treatment facility, acute care hospital inpatient treatment, or informal admission to a regional treatment center;

(10) prudently administer grants and purchase-of-service contracts that the county board determines are necessary to fulfill its responsibilities under sections 245.487 to 245.4889;

(11) assure that mental health professionals, mental health practitioners, and case managers employed by or under contract to the county to provide mental health services are qualified under section 245.4871;

(12) assure that children's mental health services are coordinated with adult mental health services specified in sections 245.461 to 245.486 so that a continuum of mental health services is available to serve persons with mental illness, regardless of the person's age;

(13) assure that culturally competent mental health consultants are used as necessary to assist the county board in assessing and providing appropriate treatment for children of cultural or racial minority heritage; and

(14) consistent with section 245.486, arrange for or provide a children's mental health screening ~~to~~ for:

(i) a child receiving child protective services ~~or~~;

(ii) a child in out-of-home placement;

(iii) a child for whom parental rights have been terminated;

(iv) a child found to be delinquent, ~~and~~ or

(v) a child found to have committed a juvenile petty offense for the third or subsequent time, ~~unless~~.

A children's mental health screening is not required when a screening or diagnostic assessment has been performed within the previous 180 days, or the child is currently under the care of a mental health professional.

(b) When a child is receiving protective services or is in out-of-home placement, the court or county agency must notify a parent or guardian whose parental rights have not been terminated of the potential mental health screening and the option to prevent the screening by notifying the court or county agency in writing.

(c) When a child is found to be delinquent or a child is found to have committed a juvenile petty offense for the third or subsequent time, the court or county agency must obtain written informed consent from the parent or legal guardian before a screening is conducted unless the court, notwithstanding the parent's failure to consent, determines that the screening is in the child's best interest.

(d) The screening shall be conducted with a screening instrument approved by the commissioner of human services according to criteria that are updated and issued annually to ensure that approved screening instruments are valid and useful for child welfare and juvenile justice populations, ~~and~~ Screenings shall be conducted by a mental health practitioner as defined in section 245.4871, subdivision 26, or a probation officer or local social services agency staff person who is trained in the use of the screening instrument. Training in the use of the instrument shall include:

- (1) training in the administration of the instrument;
- (2) the interpretation of its validity given the child's current circumstances;
- (3) the state and federal data practices laws and confidentiality standards;
- (4) the parental consent requirement; and
- (5) providing respect for families and cultural values.

If the screen indicates a need for assessment, the child's family, or if the family lacks mental health insurance, the local social services agency, in consultation with the child's family, shall have conducted a diagnostic assessment, including a functional assessment, as defined in section 245.4871. The administration of the screening shall safeguard the privacy of children receiving the screening and their families and shall comply with the Minnesota Government Data Practices Act, chapter 13, and the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191. Screening results shall be considered private data and the commissioner shall not collect individual screening results.

~~(b)~~ (e) When the county board refers clients to providers of children's therapeutic services and supports under section 256B.0943, the county board must clearly identify the desired services components not covered under section 256B.0943 and identify the reimbursement source for those requested services, the method of payment, and the payment rate to the provider.

Sec. 4. Minnesota Statutes 2010, section 245A.03, subdivision 7, is amended to read:

Subd. 7. **Licensing moratorium.** (a) The commissioner shall not issue an initial license for child foster care licensed under Minnesota Rules, parts 2960.3000 to 2960.3340, or adult foster care licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, under this chapter for a physical location that will not be the primary residence of the license holder for the entire period of licensure. If a license is issued during this moratorium, and the license holder changes the license holder's primary residence away from the physical location of the foster care license, the commissioner shall revoke the license according to section 245A.07. Exceptions to the moratorium include:

- (1) foster care settings that are required to be registered under chapter 144D;
- (2) foster care licenses replacing foster care licenses in existence on May 15, 2009, and determined to be needed by the commissioner under paragraph (b);
- (3) new foster care licenses determined to be needed by the commissioner under paragraph (b) for the closure of a nursing facility, ICF/MR, or regional treatment center, or restructuring of state-operated services that limits the capacity of state-operated facilities;
- (4) new foster care licenses determined to be needed by the commissioner under paragraph (b) for persons requiring hospital level care; or

(5) new foster care licenses determined to be needed by the commissioner for the transition of people from personal care assistance to the home and community-based services.

(b) The commissioner shall determine the need for newly licensed foster care homes as defined under this subdivision. As part of the determination, the commissioner shall consider the availability of foster care capacity in the area in which the licensee seeks to operate, and the recommendation of the local county board. The determination by the commissioner must be final. A determination of need is not required for a change in ownership at the same address.

(c) Residential settings that would otherwise be subject to the moratorium established in paragraph (a), that are in the process of receiving an adult or child foster care license as of July 1, 2009, shall be allowed to continue to complete the process of receiving an adult or child foster care license. For this paragraph, all of the following conditions must be met to be considered in the process of receiving an adult or child foster care license:

(1) participants have made decisions to move into the residential setting, including documentation in each participant's care plan;

(2) the provider has purchased housing or has made a financial investment in the property;

(3) the lead agency has approved the plans, including costs for the residential setting for each individual;

(4) the completion of the licensing process, including all necessary inspections, is the only remaining component prior to being able to provide services; and

(5) the needs of the individuals cannot be met within the existing capacity in that county.

To qualify for the process under this paragraph, the lead agency must submit documentation to the commissioner by August 1, 2009, that all of the above criteria are met.

(d) The commissioner shall study the effects of the license moratorium under this subdivision and shall report back to the legislature by January 15, 2011. This study shall include, but is not limited to the following:

(1) the overall capacity and utilization of foster care beds where the physical location is not the primary residence of the license holder prior to and after implementation of the moratorium;

(2) the overall capacity and utilization of foster care beds where the physical location is the primary residence of the license holder prior to and after implementation of the moratorium; and

(3) the number of licensed and occupied ICF/MR beds prior to and after implementation of the moratorium.

Sec. 5. Minnesota Statutes 2010, section 253B.02, subdivision 9, is amended to read:

Subd. 9. **Health officer.** "Health officer" means:

(1) a licensed physician;

(2) a licensed psychologist;

(3) a licensed social worker;

(4) a registered nurse working in an emergency room of a hospital;~~or;~~

(5) a psychiatric or public health nurse as defined in section 145A.02, subdivision 18, or;

(6) an advanced practice registered nurse (APRN) as defined in section 148.171, subdivision 3, and;

(7) a mental health professional providing mental health mobile crisis intervention services as described under section 256B.0624; or

(8) a formally designated ~~members~~ member of a prepetition screening unit established by section 253B.07.

Sec. 6. Minnesota Statutes 2010, section 254B.03, subdivision 5, is amended to read:

Subd. 5. **Rules; appeal.** The commissioner shall adopt rules as necessary to implement ~~Laws 1986, chapter 394, sections 8 to 20. The commissioner shall ensure that the rules are effective on July 1, 1987~~ this chapter. The commissioner shall establish an appeals process for use by recipients when services certified by the county are disputed. The commissioner shall adopt rules and standards for the appeal process to assure adequate redress for persons referred to inappropriate services.

Sec. 7. Minnesota Statutes 2010, section 254B.03, subdivision 9, is amended to read:

Subd. 9. **Commissioner to select vendors and set rates.** (a) Effective July 1, 2011, the commissioner shall:

(1) enter into agreements with eligible vendors that:

(i) meet the standards in section 254B.05, subdivision 1;

(ii) have good standing in all applicable licensure; and

(iii) have a current approved provider agreement as a Minnesota health care program provider that contains program standards for each rate and rate enhancement defined by the commissioner; and

(2) set rates for services reimbursed under this chapter.

(b) When setting rates, the commissioner shall consider the complexity and the acuity of the problems presented by the client.

(c) When rates set under this section and rates set under section 254B.09, subdivision 8, apply to the same treatment placement, section 254B.09, subdivision 8, supersedes.

Sec. 8. Minnesota Statutes 2010, section 254B.05, is amended to read:

#### **254B.05 VENDOR ELIGIBILITY.**

Subdivision 1. **Licensure required.** Programs licensed by the commissioner are eligible vendors. Hospitals may apply for and receive licenses to be eligible vendors, notwithstanding the provisions of section 245A.03. American Indian programs that provide chemical dependency primary treatment, extended care, transitional residence, or outpatient treatment services, and are licensed by tribal government are eligible vendors. Detoxification programs are not eligible vendors. Programs that are not licensed as a chemical dependency residential or nonresidential treatment program by the commissioner or by tribal government or do not meet the requirements of subdivisions 1a and 1b are not eligible vendors. ~~To be eligible for payment under the Consolidated Chemical Dependency Treatment Fund, a vendor of a chemical dependency service must participate in the Drug and Alcohol Abuse Normative Evaluation System and the treatment accountability plan.~~

Subd. 1a. Room and board provider requirements. (a) Effective January 1, 2000, vendors of room and board are eligible for chemical dependency fund payment if the vendor:

(1) has rules prohibiting residents bringing chemicals into the facility or using chemicals while residing in the facility and provide consequences for infractions of those rules;

~~(2) has a current contract with a county or tribal governing body;~~

~~(3) (2) is determined to meet applicable health and safety requirements;~~

~~(4) (3) is not a jail or prison; and~~

~~(5) (4) is not concurrently receiving funds under chapter 256I for the recipient;~~

(5) admits individuals who are 18 years of age or older;

(6) is registered as a board and lodging or lodging establishment according to section 157.17;

(7) has awake staff on site 24 hours per day;

(8) has staff who are at least 18 years of age and meet the requirements of Minnesota Rules, part 9530.6450, subpart 1, item A;

(9) reports information about the vendor's current capacity in a manner prescribed by the commissioner;

(10) maintains insurance in the types and amounts needed in connection with providing chemical dependency treatment services, and in at least the following types and amounts:

(i) employee dishonesty in the amount of \$10,000 if the vendor ever has custody or control of money or property belonging to clients; and

(ii) bodily injury and property damage in the amount of \$2,000,000 for each occurrence;

(11) has emergency behavioral procedures that meet the requirements of Minnesota Rules, part 9530.6475;

(12) meets the requirements of Minnesota Rules, part 9530.6435, subparts 3 and 4, items A and B, if administering medications to clients;

(13) meets the abuse prevention requirements of section 245A.65, including a policy on fraternization and the mandatory reporting requirements of section 626.557;

(14) document coordination with the treatment provider to assure compliance with section 254B.03, subdivision 2;

(15) protect client funds and ensure freedom from exploitation by meeting the provisions of section 245A.04, subdivision 13;

(16) has a grievance procedure that meets the requirements of Minnesota Rules, part 9530.6470, subpart 2; and

(17) has sleeping and bathroom facilities for men and women separated by a door that is locked, has an alarm, or is supervised by awake staff.

(b) Programs licensed according to Minnesota Rules, chapter 2960, are exempt from paragraph (a), clauses (5) to (15).

Subd. 1b. **Additional vendor requirements.** Vendors must comply with the following duties:

(1) maintain a provider agreement with the department;

(2) continually comply with the standards in the agreement;

(3) participate in the Drug and Alcohol Normative Evaluation System; and

(4) submit an annual financial statement which reports functional expenses of chemical dependency treatment costs in a form approved by the commissioner.

Subd. 2. **Regulatory methods.** (a) Where appropriate and feasible, the commissioner shall identify and implement alternative methods of regulation and enforcement to the extent authorized in this subdivision. These methods shall include:

(1) expansion of the types and categories of licenses that may be granted;

(2) when the standards of an independent accreditation body have been shown to predict compliance with the rules, the commissioner shall consider compliance with the accreditation standards to be equivalent to partial compliance with the rules; and

(3) use of an abbreviated inspection that employs key standards that have been shown to predict full compliance with the rules.

If the commissioner determines that the methods in clause (2) or (3) can be used in licensing a program, the commissioner may reduce any fee set under section 254B.03, subdivision 3, by up to 50 percent.

(b) The commissioner shall work with the commissioners of health, public safety, administration, and education in consolidating duplicative licensing and certification rules and standards if the commissioner determines that consolidation is administratively feasible, would significantly reduce the cost of licensing, and would not reduce the protection given to persons receiving services in licensed programs. Where administratively feasible and appropriate, the commissioner shall work with the commissioners of health, public safety, administration, and education in conducting joint agency inspections of programs.

(c) The commissioner shall work with the commissioners of health, public safety, administration, and education in establishing a single point of application for applicants who are required to obtain concurrent licensure from more than one of the commissioners listed in this clause.

Subd. 3. **Fee reductions.** If the commissioner determines that the methods in subdivision 2, clause (2) or (3), can be used in licensing a program, the commissioner shall reduce licensure fees by up to 50 percent. The commissioner may adopt rules to provide for the reduction of fees when a license holder substantially exceeds the basic standards for licensure.

Subd. 4. **Regional treatment centers.** Regional treatment center chemical dependency treatment units are eligible vendors. The commissioner may expand the capacity of chemical dependency treatment units beyond the capacity funded by direct legislative appropriation to serve individuals who are referred for treatment by counties and whose treatment will be paid for by funding under this chapter or other funding sources. Notwithstanding the provisions of sections 254B.03 to 254B.041, payment for any person committed at county request to a regional treatment center under chapter 253B for chemical dependency treatment and determined to be ineligible under the chemical dependency consolidated treatment fund, shall become the responsibility of the county.

Subd. 5. **Rate requirements.** (a) The commissioner shall establish rates for chemical dependency services and service enhancements funded under this chapter.

(b) Eligible chemical dependency treatment services include:

(1) outpatient treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license;

(2) medication assisted therapy services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6500, or applicable tribal license;

(3) medication assisted therapy plus enhanced treatment services that meet the requirements of clause (2) and provide nine hours of clinical services each week;

(4) high, medium, and low intensity residential treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480 and 9530.6505, or applicable tribal license which provide, respectively, 30, 15, and five hours of clinical services each week;

(5) hospital-based treatment services that are licensed according to Minnesota Rules, parts 9530.6405 to 9530.6480, or applicable tribal license and licensed as a hospital under sections 144.50 to 144.56;

(6) adolescent treatment programs that are licensed as outpatient treatment programs according to Minnesota Rules, parts 9530.6405 to 9530.6485, or as residential treatment programs according to Minnesota Rules, chapter 2960, or applicable tribal license; and

(7) room and board facilities that meet the requirements of section 254B.05, subdivision 1a.

(c) The commissioner shall establish higher rates for programs that meet the requirements of paragraph (b) and the following additional requirements:

(1) programs that serve parents with their children if the program meets the additional licensing requirement in Minnesota Rules, part 9530.6490, and provides child care that meets the requirements of section 245A.03, subdivision 2, during hours of treatment activity;

(2) programs serving special populations if the program meets the requirements in Minnesota Rules, part 9530.6605, subpart 13;

(3) programs that offer medical services delivered by appropriately credentialed health care staff in an amount equal to two hours per client per week; and

(4) programs that offer services to individuals co-occurring mental health and chemical dependency problems if:

(i) the program meets the co-occurring requirements in Minnesota Rules, part 9530.6495;

(ii) 25 percent of the counseling staff are mental health professionals, as defined in section 245.462, subdivision 18, clauses (1) to (6), or are students or licensing candidates preparing to become mental health professionals and are under the supervision of a licensed alcohol and drug counselor supervisor and licensed mental health professional, except that no more than 50 percent of the mental health staff may be students or licensing candidates;

(iii) clients scoring positive on a standardized mental health screen receive a mental health diagnostic assessment within ten days of admission;

(iv) the program has standards for multidisciplinary case review that include a monthly review for each client;

(v) family education is offered that addresses mental health and substance abuse disorders and the interaction between the two; and

(vi) co-occurring counseling staff will receive eight hours of co-occurring disorder training annually.

(d) Adolescent residential programs that meet the requirements of Minnesota Rules, parts 2960.0580 to 2960.0700, are exempt from the requirements in paragraph (c), clause (4), items (i) to (iv).

Sec. 9. Minnesota Statutes 2010, section 254B.12, is amended to read:

**254B.12 RATE METHODOLOGY.**

The commissioner shall, ~~with broad based stakeholder input, develop a recommendation and present a report to the 2011 legislature, including proposed legislation for a new~~ establish a new rate methodology for the consolidated chemical dependency treatment fund. The new methodology must replace county-negotiated rates with a uniform statewide methodology that must include a graduated reimbursement scale based on the patients' level of acuity and complexity. At least biennially, the commissioner shall review the financial information provided by vendors to determine the need for rate adjustments.

Sec. 10. Minnesota Statutes 2010, section 254B.13, subdivision 3, is amended to read:

Subd. 3. **Program evaluation.** The commissioner shall evaluate pilot projects under this section and report the results of the evaluation to the chairs and ranking minority members of the legislative committees with jurisdiction over chemical health issues by January 15, ~~2013~~ 2014. Evaluation of the pilot projects must be based on outcome evaluation criteria negotiated with the pilot projects prior to implementation.

Sec. 11. Minnesota Statutes 2010, section 256.9693, is amended to read:

**256.9693 INPATIENT TREATMENT FOR MENTAL ILLNESS.**

Subdivision 1. Continuing care benefit program. The commissioner shall establish a continuing care benefit program for ~~persons~~ adults and children with mental illness in which ~~persons~~ adults and children with mental illness may obtain acute care hospital inpatient treatment for mental illness for up to 45 days beyond that allowed by section 256.969. The commissioner may authorize additional days beyond 45 based on an individual review of medical necessity. ~~Persons~~ Adults and children with mental illness who are eligible for medical assistance may obtain inpatient treatment under this program in hospital beds for which the commissioner contracts under this section. The commissioner may selectively contract with hospitals to provide this benefit through competitive bidding when reasonable geographic access by recipients can be assured. Payments under this section shall not affect payments under section 256.969. The commissioner may contract externally with a utilization review organization to authorize persons with mental illness to access the continuing care benefit program. The commissioner, as part of the contracts with hospitals, shall establish admission criteria to allow persons with mental illness to access the continuing care benefit program. If a court orders acute care hospital inpatient treatment for mental illness for a person, the person may obtain the treatment under the continuing care benefit program. The commissioner shall not require, as part of the admission criteria, any commitment or petition under chapter 253B as a condition of accessing the program. This benefit is not available for people who are also eligible for Medicare and who have not exhausted their annual or lifetime inpatient psychiatric benefit under Medicare. If a recipient is enrolled in a prepaid plan, this program ~~is included in~~ must be covered by the plan's coverage capitation payments.

Subd. 2. **Transfer of funds.** The commissioner is authorized to transfer funds from the child and adolescent behavioral health services appropriation for the purpose of children and adolescent treatment under this section.

Sec. 12. Minnesota Statutes 2010, section 256B.0622, subdivision 8, is amended to read:

Subd. 8. **Medical assistance payment for intensive rehabilitative mental health services.** (a) Payment for residential and nonresidential services in this section shall be based on one daily rate per provider inclusive of the following services received by an eligible recipient in a given calendar day: all rehabilitative services under this section, staff travel time to provide rehabilitative services under this section, and nonresidential crisis stabilization services under section 256B.0624.

(b) Except as indicated in paragraph (c), payment will not be made to more than one entity for each recipient for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team must determine how to distribute the payment among the members.

(c) ~~The host county shall recommend to the~~ commissioner shall determine one rate for each ~~entity~~ provider that will bill medical assistance for residential services under this section and one rate for each nonresidential provider. If a single entity provides both services, one rate is established for the entity's residential services and another rate for the entity's nonresidential services under this section. ~~In developing these rates, the host county shall consider and document~~ A provider is not eligible for payment under this section without authorization from the commissioner. The commissioner shall develop rates using the following criteria:

(1) the cost for similar services in the local trade area;

(2) the provider's cost for services shall include direct services costs, other program costs, and other costs determined as follows:

(i) the direct services costs must be determined using actual costs of salaries, benefits, payroll taxes, and training of direct service staff and service-related transportation;

(ii) other program costs not included in item (i) shall be determined as a specified percentage of the direct services costs as determined by item (i). The percentage used shall be determined by the commissioner based upon the average of percentages that represent the relationship of other program costs to direct services costs among the entities that provide similar services;

(iii) in situations where a provider of intensive residential services can demonstrate actual program-related physical plant costs in excess of the group residential housing reimbursement, the commissioner may include these costs in the program rate, so long as the additional reimbursement does not subsidize the room and board expenses of the program;

(iv) intensive nonresidential services physical plant costs must be reimbursed as part of the costs described in item (ii); and

(v) up to an additional five percent of the total rate shall be added to the program rate as a quality incentive based upon the entity meeting performance criteria specified by the commissioner;

~~(2) that the proposed costs incurred by entities providing the services are~~ (3) actual cost is defined as costs which are allowable, allocable, and reasonable, and are consistent with federal reimbursement requirements including under Code of Federal Regulations, title 48, chapter 1, part 31, as relating to for-profit entities, and Office of Management and Budget Circular Number A-122, as relating to nonprofit entities;

~~(3) (4) the intensity and frequency of services to be provided to each recipient, including the proposed overall number of service units of service to be delivered;~~

~~(4) (5) the degree to which recipients will receive services other than services under this section;~~

~~(5) (6) the costs of other services that will be separately reimbursed; and~~

~~(6) (7) input from the local planning process authorized by the adult mental health initiative under section 245.4661, regarding recipients' service needs.~~

(d) The rate for intensive rehabilitative mental health services must exclude room and board, as defined in section 256I.03, subdivision 6, and services not covered under this section, such as partial hospitalization, home care, and inpatient services. Physician services that are not separately billed may be included in the rate to the extent that a psychiatrist is a member of the treatment team. ~~The county's recommendation shall specify the period for which the rate will be applicable, not to exceed two years.~~

(e) When services under this section are provided by an intensive nonresidential service provider ~~assertive community team~~, case management functions must be an integral part of the team.

(f) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

~~(g) The commissioner shall approve or reject the county's rate recommendation, based on the commissioner's own analysis of the criteria in paragraph (e)~~ The rates for existing programs must be established prospectively based upon the expenditures and utilization over a prior 12-month period using the criteria established in paragraph (c).

~~(h) Paragraph (e), clause (2), is effective for services provided on or after January 1, 2010, to December 31, 2011, and does not change contracts or agreements relating to services provided before January 1, 2010. Entities who discontinue providing services must be subject to a settle-up process whereby actual costs and reimbursement for the previous 12 months are compared. In the event that the entity was paid more than the entity's actual costs plus any applicable performance-related funding due the provider, the excess payment must be reimbursed to the department. If a provider's revenue is less than actual allowed costs due to lower utilization than projected, the commissioner may reimburse the provider to recover their actual allowable costs. The resulting adjustments by the commissioner must be proportional to the percent of total units of service reimbursed by the commissioner.~~

(i) A provider may request of the commissioner a review of any rate-setting decision made under this subdivision.

Sec. 13. Minnesota Statutes 2010, section 256B.0623, subdivision 3, is amended to read:

Subd. 3. **Eligibility.** An eligible recipient is an individual who:

(1) is age 18 or older;

(2) is diagnosed with a medical condition, such as mental illness or traumatic brain injury, for which adult rehabilitative mental health services are needed;

(3) has substantial disability and functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self-sufficiency is markedly reduced; and

(4) has had a recent diagnostic assessment or an adult diagnostic assessment update by a qualified professional that documents adult rehabilitative mental health services are medically necessary to address identified disability and functional impairments and individual recipient goals.

Sec. 14. Minnesota Statutes 2010, section 256B.0623, subdivision 8, is amended to read:

Subd. 8. **Diagnostic assessment.** Providers of adult rehabilitative mental health services must complete a diagnostic assessment as defined in section 245.462, subdivision 9, within five days after the recipient's second visit or within 30 days after intake, whichever occurs first. In cases where a diagnostic assessment is available that reflects the recipient's current status, and has been completed within ~~180 days~~ three years preceding admission, an adult diagnostic assessment update must be completed. An update shall include a face-to-face interview with the recipient and a written summary by a mental health professional of the recipient's current mental health status and service needs. If the recipient's mental health status has changed significantly since the adult's most recent diagnostic assessment, a new diagnostic assessment is required. ~~For initial implementation of adult rehabilitative mental health services, until June 30, 2005, a diagnostic assessment that reflects the recipient's current status and has been completed within the past three years preceding admission is acceptable.~~

Sec. 15. Minnesota Statutes 2010, section 256B.0624, subdivision 2, is amended to read:

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Mental health crisis" is an adult behavioral, emotional, or psychiatric situation which, but for the provision of crisis response services, would likely result in significantly reduced levels of functioning in primary activities of daily living, or in an emergency situation, or in the placement of the recipient in a more restrictive setting, including, but not limited to, inpatient hospitalization.

(b) "Mental health emergency" is an adult behavioral, emotional, or psychiatric situation which causes an immediate need for mental health services and is consistent with section 62Q.55.

A mental health crisis or emergency is determined for medical assistance service reimbursement by a physician, a mental health professional, or crisis mental health practitioner with input from the recipient whenever possible.

(c) "Mental health crisis assessment" means an immediate face-to-face assessment by a physician, a mental health professional, or mental health practitioner under the clinical supervision of a mental health professional, following a screening that suggests that the adult may be experiencing a mental health crisis or mental health emergency situation.

(d) "Mental health mobile crisis intervention services" means face-to-face, short-term intensive mental health services initiated during a mental health crisis or mental health emergency to help the recipient cope with immediate stressors, identify and utilize available resources and strengths, and begin to return to the recipient's baseline level of functioning.

(1) This service is provided on site by a mobile crisis intervention team outside of an inpatient hospital setting. Mental health mobile crisis intervention services must be available 24 hours a day, seven days a week.

(2) The initial screening must consider other available services to determine which service intervention would best address the recipient's needs and circumstances.

(3) The mobile crisis intervention team must be available to meet promptly face-to-face with a person in mental health crisis or emergency in a community setting or hospital emergency room.

(4) The intervention must consist of a mental health crisis assessment and a crisis treatment plan.

(5) The treatment plan must include recommendations for any needed crisis stabilization services for the recipient.

(e) "Mental health crisis stabilization services" means individualized mental health services provided to a recipient following crisis intervention services which are designed to restore the recipient to the recipient's prior functional level. Mental health crisis stabilization services may be provided in the recipient's home, the home of a family member or friend of the recipient, another community setting, or a short-term supervised, licensed residential program. Mental health crisis stabilization does not include partial hospitalization or day treatment.

Sec. 16. Minnesota Statutes 2010, section 256B.0624, subdivision 4, is amended to read:

Subd. 4. **Provider entity standards.** (a) A provider entity is an entity that meets the standards listed in paragraph (b) and:

(1) is a county board operated entity; or

(2) is a provider entity that is under contract with the county board in the county where the potential crisis or emergency is occurring. To provide services under this section, the provider entity must directly provide the services; or if services are subcontracted, the provider entity must maintain responsibility for services and billing.

(b) The adult mental health crisis response services provider entity must have the capacity to meet and carry out the following standards:

(1) has the capacity to recruit, hire, and manage and train mental health professionals, practitioners, and rehabilitation workers;

(2) has adequate administrative ability to ensure availability of services;

(3) is able to ensure adequate preservice and in-service training;

(4) is able to ensure that staff providing these services are skilled in the delivery of mental health crisis response services to recipients;

(5) is able to ensure that staff are capable of implementing culturally specific treatment identified in the individual treatment plan that is meaningful and appropriate as determined by the recipient's culture, beliefs, values, and language;

(6) is able to ensure enough flexibility to respond to the changing intervention and care needs of a recipient as identified by the recipient during the service partnership between the recipient and providers;

(7) is able to ensure that mental health professionals and mental health practitioners have the communication tools and procedures to communicate and consult promptly about crisis assessment and interventions as services occur;

(8) is able to coordinate these services with county emergency services, community hospitals, ambulance, transportation services, social services, law enforcement, and mental health crisis services through regularly scheduled interagency meetings;

(9) is able to ensure that mental health crisis assessment and mobile crisis intervention services are available 24 hours a day, seven days a week;

(10) is able to ensure that services are coordinated with other mental health service providers, county mental health authorities, or federally recognized American Indian authorities and others as necessary, with the consent of the adult. Services must also be coordinated with the recipient's case manager if the adult is receiving case management services;

(11) is able to ensure that crisis intervention services are provided in a manner consistent with sections 245.461 to 245.486;

(12) is able to submit information as required by the state;

(13) maintains staff training and personnel files;

(14) is able to establish and maintain a quality assurance and evaluation plan to evaluate the outcomes of services and recipient satisfaction;

(15) is able to keep records as required by applicable laws;

(16) is able to comply with all applicable laws and statutes;

(17) is an enrolled medical assistance provider; and

(18) develops and maintains written policies and procedures regarding service provision and administration of the provider entity, including safety of staff and recipients in high-risk situations.

Sec. 17. Minnesota Statutes 2010, section 256B.0624, subdivision 6, is amended to read:

**Subd. 6. Crisis assessment and mobile intervention treatment planning.** (a) Prior to initiating mobile crisis intervention services, a screening of the potential crisis situation must be conducted. The screening may use the resources of crisis assistance and emergency services as defined in sections 245.462, subdivision 6, and 245.469, subdivisions 1 and 2. The screening must gather information, determine whether a crisis situation exists, identify parties involved, and determine an appropriate response.

(b) If a crisis exists, a crisis assessment must be completed. A crisis assessment evaluates any immediate needs for which emergency services are needed and, as time permits, the recipient's current life situation, sources of stress, mental health problems and symptoms, strengths, cultural considerations, support network, vulnerabilities, ~~and current functioning, and the recipient's preferences as communicated verbally by the recipient, or as communicated in: a health care directive as described in chapters 145C and 253B, the treatment plan described under paragraph (d), a crisis prevention plan, or wellness recovery action plan.~~

(c) If the crisis assessment determines mobile crisis intervention services are needed, the intervention services must be provided promptly. As opportunity presents during the intervention, at least two members of the mobile crisis intervention team must confer directly or by telephone about the assessment, treatment plan, and actions taken and needed. At least one of the team members must be on site providing crisis intervention services. If providing on-site crisis intervention services, a mental health practitioner must seek clinical supervision as required in subdivision 9.

(d) The mobile crisis intervention team must develop an initial, brief crisis treatment plan as soon as appropriate but no later than 24 hours after the initial face-to-face intervention. The plan must address the needs and problems noted in the crisis assessment and include measurable short-term goals, cultural considerations, and frequency and type of services to be provided to achieve the goals and reduce or eliminate the crisis. The treatment plan must be updated as needed to reflect current goals and services.

(e) The team must document which short-term goals have been met and when no further crisis intervention services are required.

(f) If the recipient's crisis is stabilized, but the recipient needs a referral to other services, the team must provide referrals to these services. If the recipient has a case manager, planning for other services must be coordinated with the case manager.

Sec. 18. Minnesota Statutes 2010, section 256B.0625, subdivision 23, is amended to read:

Subd. 23. **Day treatment services.** Medical assistance covers day treatment services as specified in sections 245.462, subdivision 8, and 245.4871, subdivision 10, that are provided under contract with the county board. ~~Notwithstanding Minnesota Rules, part 9505.0323, subpart 15, The commissioner may set authorization thresholds for day treatment for adults according to subdivision 25. Notwithstanding Minnesota Rules, part 9505.0323, subpart 15, effective July 1, 2004, Medical assistance covers day treatment services for children as specified under section 256B.0943.~~

Sec. 19. Minnesota Statutes 2010, section 256B.0625, subdivision 38, is amended to read:

Subd. 38. **Payments for mental health services.** Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals shall be 80 percent of the rate paid to doctoral-prepared professionals. Payments for mental health services covered under the medical assistance program that are provided by masters-prepared mental health professionals employed by community mental health centers shall be 100 percent of the rate paid to doctoral-prepared professionals. ~~For purposes of reimbursement of mental health professionals under the medical assistance program, all social workers who:~~

~~(1) have received a master's degree in social work from a program accredited by the Council on Social Work Education;~~

~~(2) are licensed at the level of graduate social worker or independent social worker; and~~

~~(3) are practicing clinical social work under appropriate supervision, as defined by chapter 148D; meet all requirements under Minnesota Rules, part 9505.0323, subpart 24, and shall be paid accordingly.~~

Sec. 20. Minnesota Statutes 2010, section 256B.0926, subdivision 2, is amended to read:

Subd. 2. **Admission review team; responsibilities; composition.** (a) Before a person is admitted to a facility, an admission review team must assure that the provider can meet the needs of the person as identified in the person's individual service plan required under section 256B.092, subdivision 1, unless authorized by the commissioner for admittance to a state-operated services facility.

(b) The admission review team must be assembled pursuant to Code of Federal Regulations, title 42, section 483.440(b)(2). The composition of the admission review team must meet the definition of an interdisciplinary team in Code of Federal Regulations, title 42, section 483.440. In addition, the admission review team must meet any conditions agreed to by the provider and the county where services are to be provided.

(c) The county in which the facility is located may establish an admission review team which includes at least the following:

(1) a qualified developmental disability professional, as defined in Code of Federal Regulations, title 42, section 483.440;

- (2) a representative of the county in which the provider is located;
- (3) at least one professional representing one of the following professions: nursing, psychology, physical therapy, or occupational therapy; and
- (4) a representative of the provider.

If the county in which the facility is located does not establish an admission review team, the provider shall establish a team whose composition meets the definition of an interdisciplinary team in Code of Federal Regulations, title 42, section 483.440. The provider shall invite a representative of the county agency where the facility is located to be a member of the admission review team.

Sec. 21. Minnesota Statutes 2010, section 256B.0947, is amended to read:

**256B.0947 INTENSIVE REHABILITATIVE MENTAL HEALTH SERVICES.**

Subdivision 1. **Scope.** Effective November 1, 2011, and subject to federal approval, medical assistance covers medically necessary, intensive nonresidential rehabilitative mental health services as defined in subdivision 2, for recipients as defined in subdivision 3, when the services are provided by an entity meeting the standards in this section.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given them.

(a) "Intensive nonresidential rehabilitative mental health services" means child rehabilitative mental health services as defined in section 256B.0943, except that these services are provided by a multidisciplinary staff using a total team approach consistent with assertive community treatment, ~~or other evidence-based practices as adapted for youth,~~ and are directed to recipients ages 16 to 21 with a serious mental illness or co-occurring mental illness and substance abuse addiction who require intensive services to prevent admission to an inpatient psychiatric hospital or placement in a residential treatment facility or who require intensive services to step down from inpatient or residential care to community-based care.

(b) ~~"Evidence-based practices" are nationally recognized mental health services that are proven by substantial research to be effective in helping individuals with serious mental illness obtain specific treatment goals.~~ "Co-occurring mental illness and substance abuse addiction" means a dual diagnosis of at least one form of mental illness and at least one substance use disorder. Substance use disorders include alcohol or drug abuse or dependence, excluding nicotine use.

(c) "Diagnostic assessment" has the meaning given to it in Minnesota Rules, part 9505.0370, subpart 11. A diagnostic assessment must be provided according to Minnesota Rules, part 9505.0372, subpart 1, and for this section must incorporate a determination of the youth's necessary level of care using a standardized functional assessment instrument approved and periodically updated by the commissioner.

(d) "Education specialist" means an individual with knowledge and experience working with youth regarding special education requirements and goals, special education plans, and coordination of educational activities with health care activities.

(e) "Housing access support" means an ancillary activity to help an individual find, obtain, retain, and move to safe and adequate housing. Housing access support does not provide monetary assistance for rent, damage deposits, or application fees.

(f) "Integrated dual disorders treatment" means the integrated treatment of co-occurring mental illness and substance use disorders by a team of cross-trained clinicians within the same program, and is characterized by assertive outreach, stage-wise comprehensive treatment, treatment goal setting, and flexibility to work within each stage of treatment.

(g) "Medication education services" means services provided individually or in groups, which focus on:

(1) educating the client and client's family or significant nonfamilial supporters about mental illness and symptoms;

(2) the role and effects of medications in treating symptoms of mental illness; and

(3) the side effects of medications.

Medication education is coordinated with medication management services and does not duplicate it. Medication education services are provided by physicians, pharmacists, or registered nurses with certification in psychiatric and mental health care.

(h) "Peer specialist" means an employed team member who is a certified peer specialist and also a former children's mental health consumer who:

(1) provides direct services to clients including social, emotional, and instrumental support and outreach;

(2) assists younger peers to identify and achieve specific life goals;

(3) works directly with clients to promote the client's self-determination, personal responsibility, and empowerment;

(4) assists youth with mental illness to regain control over their lives and their developmental process in order to move effectively into adulthood;

(5) provides training and education to other team members, consumer advocacy organizations, and clients on resiliency and peer support; and

(6) meets the following criteria:

(i) is at least 22 years of age;

(ii) has had a diagnosis of mental illness, as defined in Minnesota Rules, part 9505.0370, subpart 20, or co-occurring mental illness and substance abuse addiction;

(iii) is a former consumer of child and adolescent mental health services, or a former or current consumer of adult mental health services for a period of at least two years;

(iv) has at least a high school diploma or equivalent;

(v) has successfully completed training requirements determined and periodically updated by the commissioner;

(vi) is willing to disclose the individual's own mental health history to team members and clients; and

(vii) must be free of substance use problems for at least one year.

(i) "Provider agency" means a for-profit or nonprofit organization established to administer an assertive community treatment for youth team.

(j) "Substance use disorders" means one or more of the disorders defined in the diagnostic and statistical manual of mental disorders, current edition, that include:

(1) alcohol or drug abuse, which is indicated by harmful effects on a person's life including work, relationship, and legal problems; and

(2) dependence on drugs or alcohol which is indicated by tolerance, withdrawal, or inability to reduce using more than intended.

(k) "Transition services" means:

(1) activities, materials, consultation, and coordination that ensures continuity of the client's care in advance of and in preparation for the client's move from one stage of care or life to another by maintaining contact with the client and assisting the client to establish provider relationships;

(2) providing the client with knowledge and skills needed posttransition;

(3) establishing communication between sending and receiving entities;

(4) supporting a client's request for service authorization and enrollment; and

(5) establishing and enforcing procedures and schedules.

A youth's transition from the children's mental health system and services to the adult mental health system and services and return to the client's home and entry or re-entry into community-based mental health services following discharge from an out-of-home placement or inpatient hospital stay.

~~(e) (l) "Treatment team" means all staff who provide services to recipients under this section. At a minimum, this includes the clinical supervisor, mental health professionals, mental health practitioners, mental health behavioral aides, and a school representative familiar with the recipient's individual education plan (IEP) if applicable.~~

Subd. 3. **Client eligibility.** An eligible recipient ~~under the age of 18~~ is an individual who:

(1) is age 16 ~~or~~, 17, 18, 19, or 20; and

(2) is diagnosed with a ~~medical condition, such as an emotional disturbance or traumatic brain injury~~ serious mental illness or co-occurring mental illness and substance abuse addiction, for which intensive nonresidential rehabilitative mental health services are needed;

(3) has received a level-of-care determination, using an instrument approved by the commissioner, that indicates a need for intensive integrated intervention without 24-hour medical monitoring and a need for extensive collaboration among multiple providers;

~~(3) (4) has substantial disability and a functional impairment in three or more of the areas listed in section 245.462, subdivision 11a, so that self sufficiency upon adulthood or emancipation is unlikely and a history of difficulty in functioning safely and successfully in the community, school, home, or job; or who is likely to need services from the adult mental health system within the next two years; and~~

(4) (5) has had a recent diagnostic assessment, as provided in Minnesota Rules, part 9505.0372, subpart 1, by a qualified mental health professional who is qualified under Minnesota Rules, part 9505.0371, subpart 5, item A, that documents that intensive nonresidential rehabilitative mental health services are medically necessary to address ameliorate identified disability and symptoms and functional impairments and to achieve individual recipient transition goals.

Subd. 3a. **Required service components.** (a) Subject to federal approval, medical assistance covers all medically necessary intensive nonresidential rehabilitative mental health services and supports, as defined in this section, under a single daily rate per client. Services and supports must be delivered by an eligible provider under subdivision 5 to an eligible client under subdivision 3.

(b) Intensive nonresidential rehabilitative mental health services, supports, and ancillary activities covered by the single daily rate per client must include the following, as needed by the individual client:

(1) individual, family, and group psychotherapy;

(2) individual, family, and group skills training, as defined in section 256B.0943, subdivision 1, paragraph (p);

(3) crisis assistance as defined in section 245.4871, subdivision 9a, which includes recognition of factors precipitating a mental health crisis, identification of behaviors related to the crisis, and the development of a plan to address prevention, intervention, and follow-up strategies to be used in the lead-up to or onset of, and conclusion of, a mental health crisis; crisis assistance does not mean crisis response services or crisis intervention services provided in section 256B.0944;

(4) medication management provided by a physician or an advanced practice registered nurse with certification in psychiatric and mental health care;

(5) mental health case management as provided in section 256B.0625, subdivision 20;

(6) medication education services as defined in this section;

(7) care coordination by a client-specific lead worker assigned by and responsible to the treatment team;

(8) psychoeducation of and consultation and coordination with the client's biological, adoptive, or foster family and, in the case of a youth living independently, the client's immediate nonfamilial support network;

(9) clinical consultation to a client's employer or school or to other service agencies or to the courts to assist in managing the mental illness or co-occurring disorder and to develop client support systems;

(10) coordination with, or performance of, crisis intervention and stabilization services as defined in section 256B.0944;

(11) assessment of a client's treatment progress and effectiveness of services using standardized outcome measures published by the commissioner;

(12) transition services as defined in this section;

(13) integrated dual disorders treatment as defined in this section; and

(14) housing access support.

(c) The provider shall ensure and document the following by means of performing the required function or by contracting with a qualified person or entity:

(1) client access to crisis intervention services, as defined in section 256B.0944, and available 24 hours per day and seven days per week;

(2) completion of an extended diagnostic assessment, as defined in Minnesota Rules, part 9505.0372, subpart 1, item C; and

(3) determination of the client's needed level of care using an instrument approved and periodically updated by the commissioner.

Subd. 4. **Provider ~~certification and~~ contract requirements.** (a) The intensive nonresidential rehabilitative mental health services provider ~~must~~ agency shall

~~(1) have a contract with the host county commissioner to provide intensive transition youth rehabilitative mental health services; and,~~

~~(2) be certified by the commissioner as being in compliance with this section and section 256B.0943.~~

(b) The commissioner shall develop procedures administrative and clinical contract standards and performance evaluation criteria for counties and providers, including county providers, and may require applicants to submit contracts and other documentation as needed to allow the commissioner to determine whether the standards in this section are met.

Subd. 5. **Standards for intensive nonresidential rehabilitative providers.** (a) Services must be provided by a certified provider entity as ~~defined in section 256B.0943, subdivision 4 that meets the requirements in section 245B.0943, subdivisions 5 and 6 provided in subdivision 4.~~

(b) The treatment team for intensive nonresidential rehabilitative mental health services comprises both permanently employed core team members and client-specific team members as follows:

(1) The core treatment team is an entity that operates under the direction of an independently licensed mental health professional, who is qualified under Minnesota Rules, part 9505.0371, subpart 5, item A, and that assumes comprehensive clinical responsibility for clients. Based on professional qualifications and client needs, clinically qualified core team members are assigned on a rotating basis as the client's lead worker to coordinate a client's care. The core team must comprise at least four full-time equivalent direct care staff and must include, but is not limited to:

(i) an independently licensed mental health professional, qualified under Minnesota Rules, part 9505.0371, subpart 5, item A, who serves as team leader to provide administrative direction and clinical supervision to the team;

(ii) an advanced-practice registered nurse with certification in psychiatric or mental health care or a board-certified child and adolescent psychiatrist, either of which must be credentialed to prescribe medications;

(iii) a licensed alcohol and drug counselor who is also trained in mental health interventions; and

(iv) a peer specialist as defined in subdivision 2, paragraph (h).

(2) The core team may also include any of the following:

(i) additional mental health professionals;

(ii) a vocational specialist;

(iii) an educational specialist;

(iv) a child and adolescent psychiatrist who may be retained on a consultant basis;

(v) a mental health practitioner, as defined in section 245.4871, subdivision 26;

(vi) a mental health manager, as defined in section 245.4871, subdivision 4; and

(vii) a housing access specialist.

(3) A treatment team may include, in addition to those in clause (1) or (2), ad hoc members not employed by the team who consult on a specific client and who must accept overall clinical direction from the treatment team for the duration of the client's placement with the treatment team and must be paid by the provider agency at the rate for a typical session by that provider with that client or at a rate negotiated with the client-specific member. Client-specific treatment team members may include:

(i) the mental health professional treating the client prior to placement with the treatment team;

(ii) the client's current substance abuse counselor, if applicable;

(iii) a lead member of the client's individual education planning team or school-based mental health provider, if applicable;

(iv) a representative from the client's health care home or primary care clinic, as needed to ensure integration of medical and behavioral health care;

(v) the client's probation officer or other juvenile justice representative, if applicable; and

(vi) the client's current vocational or employment counselor, if applicable.

~~(b)~~ (c) The clinical supervisor must shall be an active member of the treatment team and shall function as a practicing clinician at least on a part-time basis. The treatment team must shall meet with the clinical supervisor at least weekly to discuss recipients' progress and make rapid adjustments to meet recipients' needs. The team meeting shall must include recipient-specific client-specific case reviews and general treatment discussions among team members. Recipient-specific Client-specific case reviews and planning must be documented in the individual recipient's client's treatment record.

(d) The staffing ratio must not exceed ten clients to one full-time equivalent treatment team position.

(e) The treatment team shall serve no more than 80 clients at any one time. Should local demand exceed the team's capacity, an additional team must be established rather than exceed this limit.

~~(e) treatment~~ (f) Nonclinical staff must shall have prompt access in person or by telephone to a mental health practitioner or mental health professional. The provider must shall have the capacity to promptly and appropriately respond to emergent needs and make any necessary staffing adjustments to assure the health and safety of recipients clients.

~~(d) The initial functional assessment must be completed within ten days of intake and updated at least every three months or prior to discharge from the service, whichever comes first.~~

~~(e) The initial individual treatment plan must be completed within ten days of intake and reviewed and updated at least monthly with the recipient.~~

(g) The intensive nonresidential rehabilitative mental health services provider shall participate in evaluation of the assertive community treatment for youth (Youth ACT) model as conducted by the commissioner, including the collection and reporting of data and the reporting of performance measures as specified by contract with the commissioner.

(h) A regional treatment team may serve multiple counties.

Subd. 6. **Additional Service standards.** The standards in this subdivision apply to intensive nonresidential rehabilitative mental health services.

~~(1) (a) The treatment team must shall use team treatment, not an individual treatment model.~~

~~(2) The clinical supervisor must function as a practicing clinician at least on a part time basis.~~

~~(3) The staffing ratio must not exceed ten recipients to one full time equivalent treatment team position.~~

~~(4) (b) Services must be available at times that meet client needs.~~

(c) The initial functional assessment must be completed within ten days of intake and updated at least every three months or prior to discharge from the service, whichever comes first.

(d) An individual treatment plan must be completed for each client, according to criteria specified in section 256B.0943, subdivision 6, paragraph (b), clause (2), and, additionally, must:

(1) be completed in consultation with the client's current therapist and key providers and provide for ongoing consultation with the client's current therapist to ensure therapeutic continuity and to facilitate the client's return to the community;

(2) if a need for substance use disorder treatment is indicated by validated assessment:

(i) identify goals, objectives, and strategies of substance use disorder treatment; develop a schedule for accomplishing treatment goals and objectives; and identify the individuals responsible for providing treatment services and supports;

(ii) be reviewed at least once every 90 days and revised, if necessary;

(3) be signed by the clinical supervisor and by the client and, if the client is a minor, by the client's parent or other person authorized by statute to consent to mental health treatment and substance use disorder treatment for the client; and

(4) provide for the client's transition out of intensive nonresidential rehabilitative mental health services by defining the team's actions to assist the client and subsequent providers in the transition to less intensive or "stepped down" services.

~~(5) (e) The treatment team must shall actively and assertively engage and reach out to the recipient's client's family members and significant others, after obtaining the recipient's permission by establishing communication and collaboration with the family and significant others and educating the family and significant others about the client's mental illness, symptom management, and the family's role in treatment, unless the team knows or has reason to suspect that the client has suffered or faces a threat of suffering any physical or mental injury, abuse, or neglect from a family member or significant other.~~

(f) For a client age 18 or older, the treatment team may disclose to a family member, other relative, or a close personal friend of the client, or other person identified by the client, the protected health information directly relevant to such person's involvement with the client's care, as provided in Code of Federal Regulations, title 45, part 164.502(b). If the client is present, the treatment team shall obtain the client's agreement, provide the client with an opportunity to object, or reasonably infer from the circumstances, based on the exercise of professional judgment, that the client does not object. If the client is not present or is unable, by incapacity or emergency circumstances, to agree or object, the treatment team may, in the exercise of professional judgment, determine whether the disclosure is in the best interests of the client and, if so, disclose only the protected health information that is directly relevant to the family member's, relative's, friend's, or client-identified person's involvement with the client's health care. The client may orally agree or object to the disclosure and may prohibit or restrict disclosure to specific individuals.

~~(6) The treatment team must establish ongoing communication and collaboration between the team, family, and significant others and educate the family and significant others about mental illness, symptom management, and the family's role in treatment.~~

~~(7)~~ (g) The treatment team ~~must~~ shall provide interventions to promote positive interpersonal relationships.

Subd. 7. **Medical assistance payment and rate setting.** (a) Payment for ~~nonresidential~~ services in this section shall ~~must~~ be based on one daily encounter rate per provider inclusive of the following services received by an eligible ~~recipient client~~ in a given calendar day: all rehabilitative services, supports, and ancillary activities under this section, staff travel time to provide rehabilitative services under this section, and ~~nonresidential crisis stabilization response~~ services under section 256B.0944.

(b) ~~Except as indicated in paragraph (c),~~ Payment ~~will~~ must not be made to more than one entity for each ~~recipient client~~ for services provided under this section on a given day. If services under this section are provided by a team that includes staff from more than one entity, the team ~~must~~ shall determine how to distribute the payment among the members.

(c) ~~The host county shall recommend to the commissioner one rate for each entity~~ shall establish regional cost-based rates for entities that will bill medical assistance for nonresidential intensive rehabilitative mental health services. In developing these rates, the ~~host county commissioner~~ commissioner shall consider ~~and document~~:

- (1) the cost for similar services in the ~~local~~ health care trade area;
- (2) actual costs incurred by entities providing the services;
- (3) the intensity and frequency of services to be provided to each ~~recipient client~~;
- (4) the degree to which ~~recipients clients~~ will receive services other than services under this section; and
- (5) the costs of other services that will be separately reimbursed.

(d) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.

Subd. 7a. **Noncovered services.** (a) The rate for intensive rehabilitative mental health services must exclude medical assistance ~~room and board rate, as defined in section 2561.03, subdivision 6, and payment for~~ services not covered under this section, ~~such as partial hospitalization and inpatient services. Physician Services are not a component of the treatment team and covered under this section~~ may be billed separately. ~~The county's recommendation shall specify the period for which the rate will be applicable, not to exceed two years.~~

~~(e) When services under this section are provided by an assertive community team, case management functions must be an integral part of the team.~~

~~(f) The rate for a provider must not exceed the rate charged by that provider for the same service to other payors.~~

~~(g) The commissioner shall approve or reject the county's rate recommendation, based on the commissioner's own analysis of the criteria in paragraph (e).~~

(b) The following services are not covered under this section and are not eligible for medical assistance payment under the per-client, per-day payment:

(1) inpatient psychiatric hospital treatment;

(2) mental health residential treatment;

(3) partial hospitalization;

(4) physician services outside of care provided by a psychiatrist serving as a member of the treatment team;

(5) room and board costs, as defined in section 256I.03, subdivision 6;

(6) children's mental health day treatment services; and

(7) mental health behavioral aide services, as defined in section 256B.0943, subdivision 1, paragraph (m).

Subd. 8. **Provider enrollment and rate setting.** ~~Counties that employ their own staff to provide services under this section~~ The commissioner shall establish and administer treatment teams with consideration given to regional distribution. Providers shall apply directly to the commissioner for enrollment and rate setting must be reimbursed at rates established by contract. In this case, a county contract is not required and The commissioner shall perform the program review ~~and rate setting duties which would otherwise be required of counties under this section.~~

Subd. 9. Service authorization. The commissioner shall publish prior authorization criteria and standards to be used for intensive nonresidential rehabilitative mental health services, as provided in section 256B.0625, subdivision 25.

Sec. 22. Minnesota Statutes 2010, section 260C.157, subdivision 3, is amended to read:

Subd. 3. **Juvenile treatment screening team.** (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under ~~this subdivision~~ this chapter, chapter 260D, and section 245.487, subdivision 3. Screenings shall be conducted within 15 days of a request for a screening. The team, which may be the team constituted under section 245.4885 or 256B.092 or Minnesota Rules, parts 9530.6600 to 9530.6655, shall consist of social workers, juvenile justice professionals, ~~and~~ persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability, ~~and the child's parent, guardian, or permanent legal custodian under section 260C.201, subdivision 11. The team shall involve parents or guardians in the screening process as appropriate.~~ The team may be the same team as defined in section 260B.157, subdivision 3.

(b) The social services agency shall determine whether a child brought to its attention for the purposes described in this section is an Indian child, as defined in section 260C.007, subdivision 21, and shall determine the identity of the Indian child's tribe, as defined in section 260.755, subdivision 9. When a child to be evaluated is an Indian child, the team provided in paragraph (a) shall include a designated representative of the Indian child's tribe, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12.

(c) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a postdispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall ascertain whether the child is an Indian child and shall notify the county welfare agency and, if the child is an Indian child, shall notify the Indian child's tribe. The county's juvenile treatment screening team must either: (i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or (ii) elect not to screen a given case and notify the court of that decision within three working days.

(d) ~~If the screening team has elected to screen and evaluate the child,~~ The child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

(e) When the county's juvenile treatment screening team has elected to screen and evaluate a child determined to be an Indian child, the team shall provide notice to the tribe or tribes that accept jurisdiction for the Indian child or that recognize the child as a member of the tribe or as a person eligible for membership in the tribe, and permit the tribe's representative to participate in the screening team.

(f) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

Sec. 23. Minnesota Statutes 2010, section 260D.01, is amended to read:

**260D.01 CHILD IN VOLUNTARY FOSTER CARE FOR TREATMENT.**

(a) Sections 260D.01 to 260D.10, may be cited as the "child in voluntary foster care for treatment" provisions of the Juvenile Court Act.

(b) The juvenile court has original and exclusive jurisdiction over a child in voluntary foster care for treatment upon the filing of a report or petition required under this chapter. All obligations of the agency to a child and family in foster care contained in chapter 260C not inconsistent with this chapter are also obligations of the agency with regard to a child in foster care for treatment under this chapter.

(c) This chapter shall be construed consistently with the mission of the children's mental health service system as set out in section 245.487, subdivision 3, and the duties of an agency under ~~section~~ sections 256B.092, 260C.157, and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the needs of a child with a developmental disability or related condition. This chapter:

(1) establishes voluntary foster care through a voluntary foster care agreement as the means for an agency and a parent to provide needed treatment when the child must be in foster care to receive necessary treatment for an emotional disturbance or developmental disability or related condition;

(2) establishes court review requirements for a child in voluntary foster care for treatment due to emotional disturbance or developmental disability or a related condition;

(3) establishes the ongoing responsibility of the parent as legal custodian to visit the child, to plan together with the agency for the child's treatment needs, to be available and accessible to the agency to make treatment decisions, and to obtain necessary medical, dental, and other care for the child; and

(4) applies to voluntary foster care when the child's parent and the agency agree that the child's treatment needs require foster care either:

(i) due to a level of care determination by the agency's screening team informed by the diagnostic and functional assessment under section 245.4885; or

(ii) due to a determination regarding the level of services needed by the responsible social services' screening team under section 256B.092, and Minnesota Rules, parts 9525.0004 to 9525.0016.

(d) This chapter does not apply when there is a current determination under section 626.556 that the child requires child protective services or when the child is in foster care for any reason other than treatment for the child's emotional disturbance or developmental disability or related condition. When there is a determination under section 626.556 that the child requires child protective services based on an assessment that there are safety and risk issues for the child that have not been mitigated through the parent's engagement in services or otherwise, or when the child is in foster care for any reason other than the child's emotional disturbance or developmental disability or related condition, the provisions of chapter 260C apply.

(e) The paramount consideration in all proceedings concerning a child in voluntary foster care for treatment is the safety, health, and the best interests of the child. The purpose of this chapter is:

(1) to ensure a child with a disability is provided the services necessary to treat or ameliorate the symptoms of the child's disability;

(2) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, approving the child's placement away from the child's parents only when the child's need for care or treatment requires it and the child cannot be maintained in the home of the parent; and

(3) to ensure the child's parent retains legal custody of the child and associated decision-making authority unless the child's parent willfully fails or is unable to make decisions that meet the child's safety, health, and best interests. The court may not find that the parent willfully fails or is unable to make decisions that meet the child's needs solely because the parent disagrees with the agency's choice of foster care facility, unless the agency files a petition under chapter 260C, and establishes by clear and convincing evidence that the child is in need of protection or services.

(f) The legal parent-child relationship shall be supported under this chapter by maintaining the parent's legal authority and responsibility for ongoing planning for the child and by the agency's assisting the parent, where necessary, to exercise the parent's ongoing right and obligation to visit or to have reasonable contact with the child. Ongoing planning means:

(1) actively participating in the planning and provision of educational services, medical, and dental care for the child;

(2) actively planning and participating with the agency and the foster care facility for the child's treatment needs; and

(3) planning to meet the child's need for safety, stability, and permanency, and the child's need to stay connected to the child's family and community.

(g) The provisions of section 260.012 to ensure placement prevention, family reunification, and all active and reasonable effort requirements of that section apply. This chapter shall be construed consistently with the requirements of the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et al., and the provisions of the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.

Sec. 24. **REPEALER.**

Minnesota Statutes 2010, sections 254B.01, subdivision 7; and 256B.0622, subdivision 8a, are repealed."

Delete the title and insert:

"A bill for an act relating to human services; making changes to chemical and mental health services; making rate reforms; amending Minnesota Statutes 2010, sections 245.462, subdivision 8; 245.467, subdivision 2; 245.4874, subdivision 1; 245A.03, subdivision 7; 253B.02, subdivision 9; 254B.03, subdivisions 5, 9; 254B.05; 254B.12; 254B.13, subdivision 3; 256.9693; 256B.0622, subdivision 8; 256B.0623, subdivisions 3, 8; 256B.0624, subdivisions 2, 4, 6; 256B.0625, subdivisions 23, 38; 256B.0926, subdivision 2; 256B.0947; 260C.157, subdivision 3; 260D.01; repealing Minnesota Statutes 2010, sections 254B.01, subdivision 7; 256B.0622, subdivision 8a."

The motion prevailed and the amendment was adopted.

Anderson, D., moved to amend S. F. No. 1285, the first engrossment, as amended, as follows:

Page 8, delete lines 20 to 28

Renumber the remaining clauses in sequence

Page 9, line 13, delete "and"

Page 9, line 15, delete the period and insert a semicolon

Page 9, after line 15, insert:

"(5) report information about the vendor's current capacity in a manner prescribed by the commissioner; and

(6) maintain adequate and appropriate insurance coverage necessary to provide chemical dependency treatment services, and at a minimum:

(i) employee dishonesty in the amount of \$10,000 if the vendor has or had custody or control of money or property belonging to clients; and

(ii) bodily injury and property damage in the amount of \$2,000,000 for each occurrence."

Page 11, line 22, delete everything before "under"

Page 12, delete section 11

Page 14, line 1, delete "shall" and insert "must"

Page 14, line 13, delete "shall" and insert "must"

Page 19, line 13, delete "verbally" and insert "directly"

Page 19, line 14, delete the colon

Page 23, line 22, delete everything after "edition" and insert a period

Page 23, delete lines 23 to 26

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1285, A bill for an act relating to human services; making changes to chemical and mental health services; making rate reforms; amending Minnesota Statutes 2010, sections 245.462, subdivision 8; 245.467, subdivision 2; 245A.03, subdivision 7; 253B.02, subdivision 9; 254B.03, subdivisions 5, 9; 254B.05; 254B.12; 254B.13, subdivision 3; 256B.0622, subdivision 8; 256B.0623, subdivisions 3, 8; 256B.0624, subdivisions 2, 4, 6; 256B.0625, subdivisions 23, 38; 256B.0926, subdivision 2; 256B.0947; repealing Minnesota Statutes 2010, sections 254B.01, subdivision 7; 256B.0622, subdivision 8a.

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

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeler	Crawford	Garofalo	Hosch	Lenczewski	Morrow
Anderson, B.	Daudt	Gauthier	Howes	Lesch	Mullery
Anderson, D.	Davids	Gottwalt	Huntley	Liebling	Murdock
Anderson, P.	Davnie	Greene	Johnson	Lillie	Murphy, E.
Anderson, S.	Dean	Gruenhagen	Kahn	Loeffler	Murphy, M.
Anzelc	Dettmer	Gunther	Kath	Lohmer	Murray
Atkins	Dill	Hackbarth	Kelly	Loon	Myhra
Banaian	Dittrich	Hamilton	Kieffer	Mack	Nelson
Barrett	Doepke	Hancock	Kiel	Mahoney	Nornes
Beard	Downey	Hansen	Kiffmeyer	Marquart	Norton
Benson, J.	Drazkowski	Hayden	Knuth	Mazorol	O'Driscoll
Bills	Eken	Hilstrom	Koenen	McDonald	Paymar
Brynaert	Erickson	Hilty	Kriesel	McElfatrick	Pelowski
Carlson	Fabian	Holberg	Laine	McFarlane	Peppin
Champion	Falk	Hoppe	Lanning	McNamara	Persell
Clark	Franson	Hornstein	Leidiger	Melin	Peterson, S.
Cornish	Fritz	Hortman	LeMieur	Moran	Poppe

Rukavina	Scott	Smith	Torkelson	Wardlow
Runbeck	Shimanski	Stensrud	Urdahl	Westrom
Sanders	Simon	Swedzinski	Vogel	Winkler
Scalze	Slawik	Thissen	Wagenius	Woodard
Schomacker	Slocum	Tillberry	Ward	Spk. Zellers

Those who voted in the negative were:

Benson, M.	Buesgens	Greiling	Hausman	Quam
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The bill was passed, as amended, and its title agreed to.

S. F. No. 249, A bill for an act relating to commerce; regulating the provision of certain goods and services of residential contractors; providing enforcement; amending Minnesota Statutes 2010, sections 325E.66; 326B.811, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.	Buesgens	Quam	Wardlow
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The bill was passed and its title agreed to.

S. F. No. 1009, A bill for an act relating to elections; changing certain procedures and requirements related to vacancies in nomination and certain primaries; amending Minnesota Statutes 2010, sections 204B.04, subdivision 2; 204B.13, subdivisions 1, 4; 204C.32, subdivision 1; 205.065, subdivision 5; 205.13, subdivision 1a; 205A.03, subdivision 4; 205A.06, subdivision 1a; repealing Minnesota Statutes 2010, sections 204B.41; 204D.169; 205.065, subdivision 7; 205A.03, subdivision 6.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Benson, M.            Quam

The bill was passed and its title agreed to.

S. F. No. 1270 was reported to the House.

Anderson, B., moved to amend S. F. No. 1270, the first engrossment, as follows:

Page 2, line 11, after the first period, insert "One member of the state government geospatial advisory council must be appointed by the Legislative Coordinating Commission."

The motion prevailed and the amendment was adopted.

S. F. No. 1270, A bill for an act relating to state government; changing a provision in geospatial advisory council and extending the expiration date; amending Minnesota Statutes 2010, section 16B.99, subdivision 8; repealing Minnesota Statutes 2010, section 16B.99, subdivision 9.

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 117 yeas and 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, S.	Franson	Leidiger	Myhra	Quam	Vogel
Benson, M.	Gruenhagen	Lohmer	Peppin	Runbeck	Wardlow
Drazkowski	Hancock	Loon	Petersen, B.	Torkelson	

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

H. F. No. 232 was reported to the House.

Kriesel moved to amend H. F. No. 232 as follows:

Page 1, after line 17, insert:

"Sec. 2. **[196.053] ACCEPTANCE OF FEDERAL FUNDS.**

**The commissioner is authorized to apply for and accept federal funding for purposes of this chapter.**

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

Sec. 3. Minnesota Statutes 2010, section 198.261, is amended to read:

**198.261 CANTEEN, COFFEE SHOP, AND WOOD SHOP, AND OTHER WORK THERAPY PROGRAMS.**

Any profits derived from the operation of canteens, coffee shops, ~~and~~ wood shops, and other work therapy programs at the Minnesota veterans homes shall be used by the commissioner only for the direct benefit of the residents of the homes.

**EFFECTIVE DATE.** This section is effective July 1, 2011."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Howes, Hansen, Hoppe, Kriesel, Atkins, Anzelc, Fabian and Dill moved to amend H. F. No. 232, as amended, as follows:

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 2010, section 168.33, subdivision 7, is amended to read:

Subd. 7. **Filing fees; allocations.** (a) In addition to all other statutory fees and taxes, a filing fee of:

(1) ~~\$4.50~~ \$6 is imposed on every vehicle registration renewal, excluding pro rate transactions; and

(2) ~~\$8.50~~ \$10 is imposed on every other type of vehicle transaction, including pro rate transactions;

(b) Notwithstanding paragraph (a):

~~except that~~ (1) a filing fee may not be charged for a document returned for a refund or for a correction of an error made by the Department of Public Safety, a dealer, or a deputy registrar; and

(2) no filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

(c) The filing fee must be shown as a separate item on all registration renewal notices sent out by the commissioner. No filing fee or other fee may be charged for the permanent surrender of a title for a vehicle.

~~(b)~~ (d) The statutory fees and taxes, and the filing fees imposed under paragraph (a) may be paid by credit card or debit card. The deputy registrar may collect a surcharge on the statutory fees, taxes, and filing fee not greater than the cost of processing a credit card or debit card transaction, in accordance with emergency rules established by the commissioner of public safety. The surcharge must be used to pay the cost of processing credit and debit card transactions.

~~(e) All of the fees collected under paragraph (a), clause (1), by the department, must be paid into the vehicle services operating account in the special revenue fund under section 299A.705. Of the fee collected under paragraph (a), clause (2), by the department, \$3.50 must be paid into the general fund with the remainder deposited into the vehicle services operating account in the special revenue fund under section 299A.705.~~ (e) The fees collected under this subdivision by the department must be allocated as follows:

(1) of the fees collected under paragraph (a), clause (1):

(i) \$4.50 must be deposited in the vehicle services operating account; and

(ii) \$1.50 must be deposited:

(A) in the driver and vehicle services technology account until sufficient funds have been deposited in that account to cover all costs of administration, development, and initial full deployment of the driver and vehicle services information system; and

(B) after completion of the deposit of funds under clause (1), item (ii), subitem (A), in the vehicle services operating account; and

(2) of the fees collected under paragraph (a), clause (2):

(i) \$3.50 must be deposited in the general fund;

(ii) \$5.00 must be deposited in the vehicle services operating account; and

(iii) \$1.50 must be deposited:

(A) in the driver and vehicle services technology account until sufficient funds have been deposited in that account to cover all costs of administration, development, and initial full deployment of the driver and vehicle services information system; and

(B) after completion of the deposit of funds under clause (2), item (iii), subitem (A), in the vehicle services operating account.

**EFFECTIVE DATE.** This section is effective for fees collected on and after July 1, 2011.

Sec. 3. Minnesota Statutes 2010, section 171.06, subdivision 2, is amended to read:

Subd. 2. **Fees.** (a) The fees for a license and Minnesota identification card are as follows:

Classified Driver's License	<del>D-\$22.25</del>	<del>C-\$26.25</del>	<del>B-\$33.25</del>	<del>A-\$41.25</del>
	<u>D-\$17.25</u>	<u>C-\$21.25</u>	<u>B-\$28.25</u>	<u>A-\$36.25</u>
Classified Under-21 D.L.	<del>D-\$22.25</del>	<del>C-\$26.25</del>	<del>B-\$33.25</del>	<del>A-\$21.25</del>
	<u>D-\$17.25</u>	<u>C-\$21.25</u>	<u>B-\$28.25</u>	<u>A-\$16.25</u>
Enhanced Driver's License	<del>D-\$37.25</del>	<del>C-\$41.25</del>	<del>B-\$48.25</del>	<del>A-\$56.25</del>
	<u>D-\$32.25</u>	<u>C-\$36.25</u>	<u>B-\$43.25</u>	<u>A-\$51.25</u>
Instruction Permit				<del>\$10.25</del> <u>\$5.25</u>
Enhanced Instruction Permit				<del>\$25.25</del> <u>\$20.25</u>
Provisional License				<del>\$13.25</del> <u>\$8.25</u>
Enhanced Provisional License				<del>\$28.25</del> <u>\$23.25</u>
Duplicate License or duplicate identification card				<del>\$11.75</del> <u>\$6.75</u>
Enhanced Duplicate License or enhanced duplicate identification card				<del>\$26.75</del> <u>\$21.75</u>
Minnesota identification card or Under-21 Minnesota identification card, other than duplicate, except as otherwise provided in section 171.07, subdivisions 3 and 3a				<del>\$16.25</del> <u>\$11.25</u>
Enhanced Minnesota identification card				<del>\$31.25</del> <u>\$26.25</u>

In addition to each fee required in this paragraph, the commissioner shall collect a surcharge of \$1.75 until June 30, 2012. Surcharges collected under this paragraph must be credited to the driver and vehicle services technology account in the special revenue fund under section 299A.705.

(b) Notwithstanding paragraph (a), an individual who holds a provisional license and has a driving record free of (1) convictions for a violation of section 169A.20, 169A.33, 169A.35, or sections 169A.50 to 169A.53, (2) convictions for crash-related moving violations, and (3) convictions for moving violations that are not crash related, shall have a \$3.50 credit toward the fee for any classified under-21 driver's license. "Moving violation" has the meaning given it in section 171.04, subdivision 1.

(c) In addition to the driver's license fee required under paragraph (a), the commissioner shall collect an additional \$4 processing fee from each new applicant or individual renewing a license with a school bus endorsement to cover the costs for processing an applicant's initial and biennial physical examination certificate. The department shall not charge these applicants any other fee to receive or renew the endorsement.

(d) In addition to the fee required under paragraph (a), a driver's license agent may charge and retain a filing fee as provided under section 171.061, subdivision 4.

(e) In addition to the fee required under paragraph (a), the commissioner shall charge a filing fee at the same amount as a driver's license agent under section 171.061, subdivision 4. Revenue collected under this paragraph must be deposited in the driver services operating account.

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

Sec. 4. Minnesota Statutes 2010, section 299A.705, subdivision 3, is amended to read:

Subd. 3. **Driver and vehicle services technology account.** (a) The driver and vehicle services technology account is created in the special revenue fund, consisting of the technology surcharge collected as specified in chapters 168, 168A, and 171; the filing fee revenue collected under section 168.33, subdivision 7; and any other money otherwise donated, allotted, appropriated, or legislated to this account.

(b) Money in the account is annually appropriated to the commissioner of public safety to support the research, development, deployment, and maintenance of a driver and vehicle services information system.

(c) Following completion of the deposit of filing fee revenue into the driver and vehicle services technology account as provided under section 168.33, subdivision 7, the commissioner shall submit a notification to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance concerning driver and vehicle services information system implementation, which must include information on (1) total revenue deposited in the driver and vehicle services technology account, with a breakdown by sources of funds; (2) total project costs incurred, with a breakdown by key project components; and (3) an estimate of ongoing system maintenance costs.

**EFFECTIVE DATE.** This section is effective July 1, 2011."

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 Howes et al amendment and the roll was called. There were 119 yeas and 15 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Buesgens	Downey	Hackbarth	Peppin
Anderson, S.	Crawford	Drazkowski	Loon	Scott
Barrett	Dettmer	Gottwalt	Myhra	Wardlow

The motion prevailed and the amendment was adopted.

H. F. No. 232, A bill for an act relating to state government; expanding eligibility for gold star license plates to surviving legal guardians and siblings; regulating certain motor vehicle fees; regulating the Department of Veterans Affairs and veterans homes; amending Minnesota Statutes 2010, sections 168.1253, subdivision 1; 168.33, subdivision 7; 171.06, subdivision 2; 198.261; 299A.705, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 196.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abeler	Benson, J.	Daudt	Eken	Greene	Hilstrom
Anderson, D.	Benson, M.	Davids	Erickson	Greiling	Hilty
Anderson, P.	Bills	Davnie	Fabian	Gruenhagen	Holberg
Anderson, S.	Brynaert	Dean	Falk	Gunther	Hoppe
Anzelc	Carlson	Dettmer	Franson	Hamilton	Hornstein
Atkins	Champion	Dill	Fritz	Hancock	Hortman
Banaian	Clark	Dittrich	Garofalo	Hansen	Hosch
Barrett	Cornish	Doepke	Gauthier	Hausman	Howes
Beard	Crawford	Downey	Gottwalt	Hayden	Huntley

Johnson	LeMieur	McDonald	Nelson	Sanders	Urdahl
Kahn	Lenczewski	McElfatrick	Nornes	Scalze	Vogel
Kath	Lesch	McFarlane	Norton	Schomacker	Wagenius
Kelly	Liebling	McNamara	O'Driscoll	Shimanski	Ward
Kieffer	Lillie	Melin	Paymar	Simon	Wardlow
Kiel	Loeffler	Moran	Pelowski	Slawik	Westrom
Kiffmeyer	Lohmer	Morrow	Persell	Slocum	Winkler
Knuth	Loon	Mullery	Petersen, B.	Smith	Woodard
Koenen	Mack	Murdock	Peterson, S.	Stensrud	Spk. Zellers
Kriesel	Mahoney	Murphy, E.	Poppe	Swedzinski	
Laine	Mariani	Murphy, M.	Quam	Thissen	
Lanning	Marquart	Murray	Rukavina	Tillberry	
Leidiger	Mazorol	Myhra	Runbeck	Torkelson	

Those who voted in the negative were:

Anderson, B.	Buesgens	Drazkowski	Hackbarth	Peppin	Scott
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The bill was passed, as amended, and its title agreed to.

S. F. No. 302, A bill for an act relating to insurance; regulating dental provider contracts and provider audits; amending Minnesota Statutes 2010, sections 62Q.76, by adding a subdivision; 62Q.78, by adding subdivisions.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed 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 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. 387, A bill for an act relating to drivers' licenses; allowing counties to participate in driver's license reinstatement diversion pilot program; extending diversion pilot program; amending Laws 2009, chapter 59, article 3, section 4, as amended.

The Senate has appointed as such committee:

Senators Newman, Lillie and Harrington.

Said House File is herewith returned to the House.

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. 821, A bill for an act relating to higher education; changing eligibility for the senior citizen higher education program; amending Minnesota Statutes 2010, section 135A.51, subdivision 2.

The Senate has appointed as such committee:

Senators Fischbach, Robling and Brown.

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. 936, A bill for an act relating to health; prohibiting abortions at or after 20 weeks postfertilization age unless certain exceptions apply; providing civil and criminal penalties; amending Minnesota Statutes 2010, section 145.4131, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 8; 145.

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

S. F. No. 55, A bill for an act relating to education; modifying charter authorizer approval deadline; amending Minnesota Statutes 2010, section 124D.10, subdivision 3.

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

Senators Hann, Olson and Bonoff.

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

CAL R. LUDEMAN, Secretary of the Senate

Woodard moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 55. The motion prevailed.

Mr. Speaker:

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

S. F. No. 943, A bill for an act relating to game and fish; modifying aquaculture provisions; modifying compensation and assistance provisions for crop damage by elk; modifying requirements for fish and wildlife management plans; modifying provisions for taking, possessing, and transporting wild animals; modifying penalty and license provisions; modifying duties of the Board of Water and Soil Resources; limiting landowner liability for state walk-in access program; requiring rulemaking; providing criminal penalties; amending Minnesota Statutes 2010, sections 3.7371; 16C.055, subdivision 2; 17.4982, subdivisions 8, 12, 13, by adding a subdivision; 17.4991, subdivision 3; 17.4992, subdivision 4; 17.4994; 84.942, subdivision 1; 84.95, subdivision 2; 84D.11, subdivision 2a; 97A.015, subdivisions 24, 45, 49, 52, 55; 97A.028, subdivision 3; 97A.075, subdivision 6; 97A.101, subdivision 3; 97A.311, subdivision 5; 97A.321, subdivision 1; 97A.331, by adding a subdivision; 97A.405, subdivision 2; 97A.415, subdivision 2; 97A.425, subdivision 3; 97A.433, by adding a subdivision; 97A.435, subdivision 1; 97A.445, subdivision 1a; 97A.465, subdivision 5; 97A.475, subdivision 7; 97A.505, subdivision 2; 97A.545, subdivision 5; 97B.022, subdivision 2; 97B.041; 97B.055, subdivision 3; 97B.075; 97B.106, subdivision 1; 97B.211, subdivision 1; 97B.425; 97B.515, by adding a subdivision; 97B.645, subdivision 9; 97B.711, by adding a subdivision; 97B.803; 97C.005, subdivision 3; 97C.081, subdivisions 3, 4, by adding a subdivision; 97C.087, subdivision 2; 97C.205; 97C.211, subdivision 5; 97C.341; 103B.101, subdivision 9; 604A.24; proposing coding for new law in Minnesota Statutes, chapters 17; 97B; 348; repealing Minnesota Statutes 2010, sections 84.942, subdivisions 2, 3, 4; 97A.015, subdivisions 26b, 27b, 27c; 97A.435, subdivision 5; 97C.081, subdivision 2.

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

Senators Ingebrigtsen, Carlson, Gazelka, Skoe and Hall.

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

CAL R. LUDEMAN, Secretary of the Senate

Hackbarth moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 943. The motion prevailed.

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. 1105, A bill for an act relating to motor vehicles; modifying provisions related to pickup trucks; amending Minnesota Statutes 2010, sections 168.002, subdivisions 24, 26, 40, by adding subdivisions; 168.021, subdivision 1; 168.12, subdivisions 1, 2b; 168.123, subdivision 1; Laws 2008, chapter 350, article 1, section 5, as amended.

CAL R. LUDEMAN, Secretary of the Senate

Kiel moved that the House refuse to concur in the Senate amendments to H. F. No. 1105, 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 the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 881, 1284 and 1286.

CAL R. LUDEMAN, Secretary of the Senate

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

S. F. No. 881, A bill for an act relating to public safety; expanding e-charging to include citations, juvenile adjudication, and implied consent test refusal or failure; amending Minnesota Statutes 2010, section 299C.41, subdivision 1.

The bill was read for the first time.

McDonald moved that S. F. No. 881 and H. F. No. 1270, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1284, A bill for an act relating to human services; making changes to health care program provisions; making technical and policy changes; clarifying obsolete language; making federal conformity changes; clarifying eligibility requirements; modifying pharmaceutical provisions; clarifying certain covered services; eliminating the elderly waiver payment; providing a right to appeal and appeal processes; imposing provider requirements; requiring a report on nonemergency medical transportation; requiring reporting of managed care and county-based purchasing data; amending Minnesota Statutes 2010, sections 256B.056, subdivisions 1c, 3, 3c; 256B.057, subdivision 9;

256B.0625, subdivisions 13, 13d, 13e, 17a, 22, 30, 31; 256B.0659, subdivision 30; 256B.199; 256B.69, subdivisions 5, 28, by adding a subdivision; 256B.76, subdivision 4; 256L.04, subdivision 7b; 256L.05, subdivision 3; 256L.11, subdivision 6; 256L.15, subdivision 1; Laws 2010, First Special Session chapter 1, article 16, sections 8; 9; 10; repealing Minnesota Statutes 2010, section 256.01, subdivision 18b.

The bill was read for the first time.

Gottwalt moved that S. F. No. 1284 and H. F. No. 1543, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1286, A bill for an act relating to health; changing provisions to resident case mix classification; amending Minnesota Statutes 2010, section 144.0724, subdivisions 2, 3, 4, 5, 6, 9, by adding a subdivision.

The bill was read for the first time.

Schomacker moved that S. F. No. 1286 and H. F. No. 1508, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

#### ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 247:

Davids; Anderson, S., and Loon.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 874:

Garofalo, Kelly and Anderson, P.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1011:

McNamara, Hackbarth and Dill.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1234:

Downey, Lanning and Stensrud.

#### FISCAL CALENDAR

Pursuant to rule 1.22, Holberg requested immediate consideration of H. F. No. 959.

H. F. No. 959 was reported to the House.

Howes moved to amend H. F. No. 959, the second engrossment, as follows:

Delete everything after the enacting clause and insert:

Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

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

**SUMMARY**

<u>Natural Resources</u>	<u>\$45,000,000</u>
<u>Public Safety</u>	<u>5,000,000</u>
<u>Bond Sale Expenses</u>	<u>45,000</u>
<b><u>TOTAL</u></b>	<b><u>\$50,045,000</u></b>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	<u>45,045,000</u>
<u>General Fund</u>	<u>5,000,000</u>

**APPROPRIATIONS**

Sec. 2. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation** **\$45,000,000**

To the commissioner of natural resources for the purposes specified in this section.

The appropriations in this section are subject to the requirements of the natural resources capital improvement program under Minnesota Statutes, section 86A.12, unless this section or the statutes referred to in this section provide more specific standards, criteria, or priorities for projects than Minnesota Statutes, section 86A.12.

Subd. 2. **Flood Hazard Mitigation Grants** 45,000,000

(a) For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161. Project priorities shall be determined by the commissioner as appropriate, based on need.

(b) To the extent that the cost of a project exceeds two percent of the median household income in the municipality or unit of government on the commissioner's priority list multiplied by the number of households in the municipality or unit of government on the commissioner's priority list, this appropriation is also for the local share of the project.

(c) Up to \$6,000,000 of this appropriation is for the project in the city of Roseau.

(d) Up to \$3,000,000 of this appropriation is for the project in the city of Georgetown.

(e) Up to \$16,500,000 of this appropriation is for the project in the city of Moorhead.

Sec. 3. **BOND SALE EXPENSES**

**\$45,000**

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

Sec. 4. **BOND SALE SCHEDULE.**

The commissioner of management and budget shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 2013, no more than \$1,175,188,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation bonds. During the biennium, before each sale of state general obligation bonds, the commissioner of management and budget shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold. The commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 5. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this act from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$45,045,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 6. **APPROPRIATION; FEDERAL MATCH.**

\$5,000,000 is appropriated from the general fund to the commissioner of public safety to provide a match for Federal Emergency Management Agency (FEMA) disaster assistance to state agencies and political subdivisions under Minnesota Statutes, section 12.221, in the area designated under Presidential Declaration of Major Disaster DR-1982, for the flooding in Minnesota in the spring of 2011, whether included in the original declaration or added later by federal government action. This is a onetime appropriation. This appropriation does not lapse.

Sec. 7. **2008, 2010 BOND SALE AUTHORIZATIONS REDUCED.**

(a) The bond sale authorization in Laws 2008, chapter 179, section 27, subdivision 1, is reduced by \$3,000,000.

(b) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 1, is reduced by \$354,380,000.

(c) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 2, is reduced by \$5,780,000.

(d) The bond sale authorization in Laws 2010, chapter 189, section 26, subdivision 4, is reduced by \$6,500,000.

Sec. 8. Minnesota Statutes 2010, section 16A.641, subdivision 4a, is amended to read:

Subd. 4a. **Negotiated sales; ~~temporary authority.~~** Notwithstanding the public sale requirements of subdivision 4 and section 16A.66, subdivision 2, ~~from June 1, 2009, until June 30, 2011,~~ the commissioner may sell bonds, including refunding bonds, at negotiated sale.

Sec. 9. Minnesota Statutes 2010, section 16A.641, subdivision 7, is amended to read:

Subd. 7. **Credit of proceeds.** (a) Proceeds of bonds issued under each law must be credited by the commissioner to a special fund, as provided in this subdivision.

(b) Accrued interest ~~and any premium~~ received on sale of the bonds must be credited to the state bond fund created by the Constitution, article XI, section 7. Any premium received on the sale of the bonds on or prior to December 1, 2012, must be credited to the state bond fund. Any premium received on the sale of the bonds after December 1, 2012, must be credited to either the bond proceeds fund where it is used to reduce the par amount of the bonds issued or the state bond fund.

(c) Except as otherwise provided by law, proceeds of state bonds issued under the Constitution, article XI, section 5, clause (a), must be credited to the bond proceeds fund established by section 16A.631.

(d) Proceeds of state highway bonds must be credited to the trunk highway fund under the Constitution, article XIV, section 6.

(e) Proceeds of bonds issued for programs of grants or loans to political subdivisions must be credited to special accounts in the bond proceeds fund or to special funds established by laws stating the purposes of the grants or loans, and the standards and criteria under which an executive agency is authorized to make them.

(f) Proceeds of refunding bonds must be credited to the state bond fund as provided in section 16A.66, subdivision 1.

(g) Proceeds of other bonds must be credited as provided in the law authorizing their issuance.

Sec. 10. Minnesota Statutes 2010, section 16A.642, subdivision 2, is amended to read:

Subd. 2. **Cancellation.** (a) If the commissioner determines that the purposes for which general obligation bonds of the state have been issued or for which general fund monies were appropriated are accomplished or abandoned, after consultation with the affected agencies, and there is a remaining authorization or appropriation for a specific project of \$500 or less, the commissioner may cancel the remaining authorization or appropriation for that project.

(b) If a premium received on the sale of bonds is credited to the bond proceeds fund, pursuant to section 16A.641, subdivision 7, paragraph (b), the corresponding bond authorization to which the premium is attributable must be reduced accordingly by the commissioner.

(c) The commissioner must notify the chairs of the senate Finance Committee and the house of representatives Capital Investment Committee of any bond authorizations or general fund appropriations canceled under this subdivision.

Sec. 11. Laws 2006, chapter 258, section 7, subdivision 3, as amended by Laws 2007, chapter 122, section 4, and Laws 2008, chapter 179, section 59, is amended to read:

**Subd. 3. Flood Hazard Mitigation Grants**

25,000,000

For the state share of flood hazard mitigation grants for publicly owned capital improvements to prevent or alleviate flood damage under Minnesota Statutes, section 103F.161.

The commissioner shall determine project priorities as appropriate, based on need.

This appropriation includes money for the following projects:

- (a) Austin
- (b) Albert Lea
- (c) Browns Valley
- (d) Crookston
- (e) Canisteo Mine
- (f) Delano
- (g) East Grand Forks
- (h) Golden Valley
- (i) Grand Marais Creek
- (j) Granite Falls
- (k) Inver Grove Heights
- (l) Manston Slough
- (m) Oakport Township
- (n) Riverton Township
- (o) Roseau
- (p) Shell Rock Watershed District
- (q) St. Vincent
- (r) Wild Rice River Watershed District

For any project listed in this subdivision that the commissioner determines is not ready to proceed or does not expend all the money allocated to it, the commissioner may allocate that project's money to a project on the commissioner's priority list.

To the extent that the cost of a project in Ada, Breckenridge, Browns Valley, Crookston, Dawson, East Grand Forks, Granite Falls, Montevideo, Oakport Township, Roseau, St. Vincent, or Warren exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project. The local share for the St. Vincent dike may not exceed \$30,000.

Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds in this subdivision are available until June 30, 2014.

Sec. 12. Laws 2006, chapter 258, section 7, subdivision 23, as amended by Laws 2010, chapter 399, section 2, is amended to read:

Subd. 23. **Trail connections**

2,010,000

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

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

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

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

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

\$950,000 is for a grant to the St. Louis and Lake Counties Regional Railroad Authority for land acquisition, engineering, construction, furnishing, and equipping of all or part of a 19-mile "Boundary Waters Connection" of the Mesabi Trail from ~~Bearhead Lake Vermilion~~ State Park to the International Wolf Center in Ely. ~~This appropriation is contingent upon a matching contribution of~~

~~\$950,000 from other sources, public or private.~~ Notwithstanding Minnesota Statutes, section 16A.642, the bond authorization and appropriation of bond proceeds for this project are available until June 30, 2014.

Sec. 13. Laws 2006, chapter 258, section 17, subdivision 8, as amended by Laws 2008, chapter 179, section 64, and Laws 2008, chapter 365, section 4, is amended to read:

**Subd. 8. Metropolitan Regional Parks Capital Improvements**

35,362,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects.

\$300,000 is for a grant to the city of Bloomington ~~to renovate~~ for environmental analysis and review, design, and construction of a multimodal trail connection across Long Meadow Lake in the vicinity of the old Cedar Avenue bridge and for development of a segment of the Minnesota Valley State Trail from Fort Snelling State Park to the Long Meadow Lake crossing to serve as a hiking and bicycling trail connection.

\$6,000,000 is for a grant to the county of Dakota to acquire land for a regional park and wildlife area adjacent to the Vermillion Highlands Research, Recreation, and Wildlife Management Area in Dakota County.

\$1,800,000 is for a grant to the city of Minneapolis to complete land acquisition for and construction of the Cedar Lake Trail.

\$3,500,000 is for a grant to the Minneapolis Park and Recreation Board to design, construct, furnish, and equip a new cultural and community center in the East Phillips neighborhood in Minneapolis.

\$250,000 is for a grant to the Minneapolis Park and Recreation Board to predesign completion of the Grand Rounds National Scenic Byway by providing a link between northeast Minneapolis on Stinson Avenue and Southeast Minneapolis at East River Road.

\$2,500,000 is for a grant to the Minneapolis Park and Recreation Board to mitigate flooding at Lake of the Isles in the city of Minneapolis. The grant must be used for shoreline stabilization and restoration, dredging, wetland replacement, and other infrastructure improvements necessary to deal with the 1997 flood damage and to prevent future flooding.

\$321,000 is for a grant to Ramsey County to construct a bicycle and pedestrian trail on the north side of Lower Afton Road between Century Avenue and McKnight Road in the city of Maplewood. This appropriation is not available until the commissioner has determined that at least an equal amount has been committed from nonstate sources.

\$9,000,000 is for a grant to the city of St. Paul to predesign, design, construct, furnish, equip, and redevelop infrastructure at the Como Zoo.

\$2,500,000 is for a grant to the city of St. Paul to acquire land for and to predesign, design, construct, furnish, and equip river park development and redevelopment infrastructure in National Great River Park along the Mississippi River in St. Paul.

\$2,000,000 is for a grant to the city of South St. Paul for the closure, capping, and remediation of approximately 80 acres of the Port Crosby construction and demolition debris landfill in South St. Paul, as the fifth phase of converting the land into parkland, and to restore approximately 80 acres of riverfront land along the Mississippi River.

\$191,000 is for a grant to the city of White Bear Lake to construct the Lake Avenue Regional Trail connecting Highway 96 Regional Trail with Ramsey Beach.

Sec. 14. Laws 2008, chapter 179, section 15, subdivision 8, is amended to read:

Subd. 8. **Southeastern Minnesota Regional Public Safety Training Center**

3,655,000  
2,955,000

Notwithstanding any law to the contrary, for a grant to Olmsted County to ~~acquire land for, and to~~ design, construct, furnish, and equip the Southeastern Minnesota Regional Public Safety Training Center in Olmsted County. The facility must include, but is not limited to, a live burn training simulator, a driving range, and a weapons training facility.

This appropriation or any portion of it is ~~not~~ available ~~until~~ when the commissioner has determined that ~~at least an equal amount has been committed~~ it has been matched, dollar-for-dollar, from nonstate sources.

**EFFECTIVE DATE.** This section is effective retroactively from December 27, 2007.

Sec. 15. Laws 2008, chapter 179, section 18, subdivision 3, is amended to read:

Subd. 3. **Systemwide Campus Redevelopment, Reuse, or Demolition**

3,400,000

To demolish surplus, nonfunctional, or deteriorated facilities and infrastructure or to renovate surplus, nonfunctional, or deteriorated facilities and infrastructure at Department of Human Services

campuses. These projects must facilitate the redevelopment or reuse of these campuses consistent with redevelopment plan concepts developed and approved under Laws 2003, First Special Session chapter 14, article 6, section 64, subdivision 2. If a surplus campus is sold or transferred to a local unit of government, unspent portions of this appropriation may be granted to that local unit of government for the purposes stated in this subdivision.

Up to ~~\$400,000~~ \$125,000 is for preparation and site development, including demolition of buildings and infrastructure, to implement the redevelopment and reuse of the Ah Gwah Ching Regional Treatment Center. This amount may be granted to Cass County for the purposes stated in this subdivision. If the campus is sold or transferred by Cass County to a local unit of government the city of Walker, unspent portions of this appropriation may be granted to ~~that local unit of government~~ the city of Walker for the purposes stated in this subdivision.

Sec. 16. Laws 2008, chapter 179, section 18, subdivision 6, as amended by Laws 2010, chapter 399, section 5, is amended to read:

Subd. 6. **Hennepin County Medical Center** 820,000

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

Sec. 17. Laws 2008, chapter 179, section 19, subdivision 4, is amended to read:

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

**Building 17 HVAC Replacement** 3,955,000  
1,655,000

~~To replace the sections of the campus wide heating, ventilation, and air conditioning system that serve Building 17. To predesign, design, and construct improvements to heating, ventilation, air conditioning, and lighting systems and associated areas serving the south wing of Building 17.~~

Sec. 18. Laws 2008, chapter 179, section 24, subdivision 4, is amended to read:

Subd. 4. **County and Local Preservation Grants** 2,000,000

To be allocated to county and local jurisdictions as matching money for historic preservation projects of a capital nature, as provided in new Minnesota Statutes, section 138.0525. This appropriation includes money for grants to the city of Hokah to renovate the Hokah City Hall building; and the Houston County Historical Society to renovate existing space and to predesign, design, and construct an addition to the Houston County Historical

Society building located in the city of Caledonia. Notwithstanding Minnesota Statutes, section 138.0525, the city of Hokah is not required to provide a match.

\$100,000 is for a grant to the city of Wells to renovate the historic Wells Train Depot. No match is required for this grant.

Sec. 19. Laws 2008, chapter 365, section 4, subdivision 3, as amended by Laws 2010, chapter 189, section 16, subdivision 4, and Laws 2010, chapter 189, section 58, is amended to read:

Subd. 3. **Old Cedar Avenue Bridge** 2,000,000

For a grant to the city of Bloomington ~~to renovate for environmental analysis and review, design, and construction of a multimodal trail connection across Long Meadow Lake in the vicinity of the old Cedar Avenue bridge and for development of a segment of the Minnesota Valley State Trail from Fort Snelling State Park to the Long Meadow Lake crossing~~ for bicycle commuters and recreational users. This appropriation is added to the appropriation in Laws 2006, chapter 258, section 17, subdivision 8.

Sec. 20. Laws 2009, chapter 93, article 1, section 14, subdivision 3, is amended to read:

Subd. 3. **Veterans Cemeteries** 1,500,000

Of this amount, up to \$500,000 is to acquire land located in ~~Redwood County~~ southeastern, southwestern, and northeastern Minnesota for publicly owned veterans cemeteries, to be operated by the commissioner of veterans affairs. The commissioner also must seek donations of land for the cemeteries. The balance of the appropriation is to predesign and design the cemeteries. Federal reimbursement of design costs for each cemetery must be deposited in the state treasury and credited to a special account and is appropriated to the commissioner of veterans affairs to design the remaining cemeteries. Following completion of all legislatively authorized Minnesota state veterans cemeteries, final federal reimbursement of predesign and design costs is appropriated to the commissioner for asset preservation of veterans homes statewide, to be spent in accordance with Minnesota Statutes, section 16B.307.

Sec. 21. Laws 2009, chapter 93, article 1, section 22, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment ~~and expires July 1, 2011.~~

Sec. 22. Laws 2010, chapter 189, section 6, subdivision 2, is amended to read:

Subd. 2. **Alpha Building Demolition** 755,000  
265,500

To demolish the Alpha Building.

Sec. 23. Laws 2010, chapter 189, section 6, subdivision 4, is amended to read:

Subd. 4. **Storage and Maintenance Building**

~~129,000~~

618,500

To design, construct, and equip a storage and maintenance building on the site of the demolished Alpha Building.

Sec. 24. Laws 2010, chapter 189, section 7, subdivision 22, is amended to read:

Subd. 22. **Fort Snelling Upper Bluff**

1,200,000

For a grant to Hennepin County to conduct emergency building stabilization at Fort Snelling Upper Bluff. This appropriation may also be used for all work necessary to rehabilitate buildings and sites for occupancy and use. This appropriation is not available until the commissioner of management and budget has determined that Hennepin County has entered into appropriate agreements to use Sentence to Serve labor for the project that will train the Sentence to Serve laborers in the skills needed for the work.

Sec. 25. Laws 2010, chapter 189, section 14, subdivision 3, is amended to read:

Subd. 3. **State Emergency Operations Center**

2,250,000

To the commissioner of administration to predesign and design a new state emergency operations center in Arden Hills.

The commissioner of administration must consult with the commissioner of public safety in the predesign and design. This appropriation is not available until the commissioner has reported to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over public safety policy and finance, capital investment, finance, and ways and means, how the Arden Hills site will be adequately accessible in the event of a disaster that adversely affects major transportation corridors.

Notwithstanding Minnesota Statutes, section 16B.31, subdivision 5, the commissioner of administration, at the request of the commissioner of public safety, may acquire land, utility and road easements, and any other necessary right of access or use from the federal government or other applicable parties for the state emergency operations center proposed to be located in Arden Hills.

Sec. 26. Laws 2010, chapter 189, section 16, subdivision 4, is amended to read:

Subd. 4. **Metropolitan Regional Parks and Trails Capital Improvements**

**(a) Metropolitan Council Priorities**

10,500,000

For the cost of improvements and betterments of a capital nature and acquisition by the council and local government units of regional recreational open-space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.147. Priority must be given to park rehabilitation and land acquisition projects. This appropriation must not be used to purchase easements.

**(b) Como Zoo**

11,000,000

For a grant to the city of St. Paul to predesign, design, construct, furnish, and equip phase 2 renovation of exhibits at the Como Zoo.

**(d) Old Cedar Avenue Bridge**~~2,000,000~~1,000,000

For a grant to the city of Bloomington ~~to renovate~~ for environmental analysis and review, design, and construction of a multimodal trail connection across Long Meadow Lake in the vicinity of the Old Cedar Avenue Bridge and for development of a segment of the Minnesota Valley State Trail from Fort Snelling State Park to the Long Meadow Lake crossing for bicycle commuters and recreational users. The city of Bloomington must consult with the city of Eagan and Dakota County on the renovation.

This appropriation is added to the appropriation in Laws 2008, chapter 365, section 4, subdivision 3, as amended by this act.

**(f) Rock Island Bridge Park and Trail Development**

1,000,000

For a grant to the city of Inver Grove Heights for park and trail development on the west bank of the Mississippi River in Dakota County at the site of Mississippi River Bridge JAR 5600, commonly known as the Rock Island Bridge. Any park or trails developed with this appropriation must connect with any local, regional, or state trails in the vicinity, and the historic Rock Island Bridge.

**(i) Veterans Memorial Parks**

2,000,000

For a grant to the Minneapolis Park and Recreation Board to: (1) design and construct an appropriate monument in Sheridan Veterans Memorial Park on the Mississippi River in Minneapolis to memorialize the war service of Minnesota veterans of all wars; and (2) match money provided by Hennepin County to restore the flagpole monument and plaza, and make other infrastructure improvements of a capital nature for the Veterans of World War I Victory Memorial Parkway, consistent with Hennepin County's planned infrastructure improvements.

Sec. 27. Laws 2010, chapter 189, section 19, subdivision 4, as amended by Laws 2010, chapter 399, section 8, is amended to read:

Subd. 4. **Minneapolis Veterans Home**

9,450,000

11,750,000

To predesign, design, construct, furnish, and equip the renovation of building 16 to accommodate a domiciliary program, demolish the north wing of building 17, predesign a new building 17, and design, construct, furnish, and equip the north wing of the new building 17, including site improvements and amenities for building and program support.

Sec. 28. Laws 2010, chapter 333, article 2, section 23, is amended to read:

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

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

(b) For determining the veterans cemetery site in southeastern Minnesota, the commissioner shall give priority consideration to land owned and proposed for donation by the county of Fillmore.

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

- (1) determining the need for the cemetery;
- (2) investigating the availability of suitable land for the cemetery;
- (3) assessment of impacts of the cemetery;
- (4) encouragement of support from veteran service organizations and local governments; and

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

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

Sec. 29. Laws 2010, Second Special Session chapter 1, article 1, section 9, subdivision 5, is amended to read:

Subd. 5. **Dam Renovation and Removal**

\$1,000,000

To provide cost share for the renovation or removal of publicly owned dams and for streambed restoration adjacent thereto in the DR-1941 area under Minnesota Statutes, sections 103G.511 and 103G.515.

Sec. 30. **EFFECTIVE DATE.**

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

Adjust amounts accordingly

Amend the title accordingly

The question was taken on the Howes amendment and the roll was called. There were 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	Bills	Buesgens	Drazkowski	Leidiger	Peppin
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The motion prevailed and the amendment was adopted.

Howes moved to amend H. F. No. 959, the second engrossment, as amended, as follows:

Page 2, line 11, delete "45,000,000" and insert "46,700,000"

The question was taken on the Howes amendment and the roll was called. There were 122 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abeler	Anderson, S.	Banaian	Benson, M.	Champion	Crawford
Anderson, D.	Anzelc	Beard	Brynaert	Clark	Daudt
Anderson, P.	Atkins	Benson, J.	Carlson	Cornish	Davids

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

Those who voted in the negative were:

Anderson, B.	Bills	Draskowski	Leidiger	Scott	Wardlow
Barrett	Buesgens	Hackbarth	Peppin	Vogel	

The motion prevailed and the amendment was adopted.

Hortman, Kriesel, Abeler, Dittrich and Peterson, B., offered an amendment to H. F. No. 959, the second engrossment, as amended.

#### POINT OF ORDER

Holberg raised a point of order pursuant to rule 4.03 relating to Ways and Means Committee; Budget Resolution; Effect on Expenditure and Revenue Bills that the Hortman et al amendment was not in order. The Speaker ruled the point of order well taken and the Hortman et al amendment out of order.

Hansen moved to amend H. F. No. 959, the second engrossment, as amended, as follows:

Page 2, line 11, delete "45,000,000" and insert "35,000,000"

Page 2, after line 33, insert:

Subd. 3. **Reinvest in Minnesota** 10,000,000

For the reinvest in Minnesota reserve program under Minnesota Statutes, section 103F.515."

Renumber the subdivisions in sequence

A roll call was requested and properly seconded.

The question was taken on the Hansen amendment and the roll was called. There were 55 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abeler	Dittrich	Hornstein	Lillie	Norton	Smith
Anzelc	Falk	Hortman	Loeffler	Paymar	Tillberry
Atkins	Gauthier	Hosch	Mahoney	Persell	Wagenius
Benson, J.	Greene	Huntley	Mariani	Peterson, S.	Ward
Brynaert	Greiling	Johnson	Melin	Rukavina	Winkler
Carlson	Hansen	Kahn	Moran	Runbeck	
Champion	Hausman	Knuth	Mullery	Scalze	
Clark	Hayden	Laine	Murphy, E.	Simon	
Davnie	Hilstrom	Lesch	Murphy, M.	Slawik	
Dill	Hilty	Liebling	Nelson	Slocum	

Those who voted in the negative were:

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

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

Hansen moved to amend H. F. No. 959, the second engrossment, as amended, as follows:

Page 2, after line 33, insert:

"(f) Until December 31, 2012, no drainage authority in an entity receiving funds under this subdivision shall approve a drainage project, as defined under Minnesota Statutes, section 103E.005, within the watershed. Efforts must be made to prevent future floods."

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.

Howes moved to amend H. F. No. 959, the second engrossment, as amended, as follows:

Page 8, line 27, after "of" insert "an earthen berm and"

Page 13, line 23, after "of" insert "an earthen berm and"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 959, as amended, was read for the third time.

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

H. F. No. 959, A bill for an act relating to capital investment; appropriating money for flood hazard mitigation; appropriating money for a match for federal disaster assistance; authorizing sale and issuance of state bonds; providing a bond sale schedule; amending Laws 2006, chapter 258, section 7, subdivision 3, as amended.

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

The question was taken on the passage of the bill and the roll was called. There were 76 yeas and 57 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anzelc	Buesgens	Dittrich	Greene	Hilstrom	Hosch
Atkins	Carlson	Falk	Greiling	Hilty	Huntley
Benson, J.	Clark	Franson	Hansen	Holberg	Johnson
Bills	Davnie	Fritz	Hausman	Hornstein	Kahn
Brynaert	Dill	Gauthier	Hayden	Hortman	Knuth

Laine	Mahoney	Mullery	Pelowski	Simon	Ward
Lesch	Mariani	Murphy, E.	Persell	Slawik	Winkler
Liebling	Melin	Murphy, M.	Peterson, S.	Thissen	
Lillie	Moran	Nelson	Rukavina	Tillberry	
Loeffler	Morrow	Paymar	Scalze	Wagenius	

Not having received the constitutionally required three-fifths vote, the bill was not passed.

### CALENDAR FOR THE DAY

Dean moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

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

### MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 612 and 1101.

CAL R. LUDEMAN, Secretary of the Senate

### FIRST READING OF SENATE BILLS

S. F. No. 612, A bill for an act relating to health; establishing policies for youth athletes with concussions resulting from participation in youth athletic activities; amending Minnesota Statutes 2010, sections 124D.10, subdivision 8; 128C.02, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 121A.

The bill was read for the first time.

Hamilton moved that S. F. No. 612 and H. F. No. 905, now on the Calendar for the Day, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1101, A bill for an act relating to human services; establishing the My Life, My Choices Task Force; authorizing performance-based organizations to provide services to people with disabilities; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 15.

The bill was read for the first time.

Abeler moved that S. F. No. 1101 and H. F. No. 1339, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

**ANNOUNCEMENTS BY THE SPEAKER**

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 55:

Woodard, Kelly and Slocum.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 943:

Hackbarth, Buesgens, Drazkowski, McNamara and Dill.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1105:

Kiel, Beard and Eken.

**MOTIONS AND RESOLUTIONS**

Hancock moved that the name of Lohmer be added as an author on H. F. No. 1730. The motion prevailed.

Lenczewski moved that the name of Loeffler be added as an author on H. F. No. 1733. The motion prevailed.

McFarlane, Marquart, Zellers and Thissen introduced:

House Concurrent Resolution No. 4, A House concurrent resolution establishing bipartisan redesign working groups to provide a process for hearing, studying, and developing system-redesign proposals.

The concurrent resolution was referred to the Committee on Rules and Legislative Administration.

**ADJOURNMENT**

Dean moved that when the House adjourns today it adjourn until 10:00 a.m., Saturday, May 21, 2011. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Saturday, May 21, 2011.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

