

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION — 2013

 TWENTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 14, 2013

The House of Representatives convened at 3:00 p.m. and was called to order by Paul Thissen, Speaker of the House.

Prayer was offered by the Reverend David Neil, United Methodist Minister, Mazeppa, Minnesota.

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

The roll was called and the following members were present:

Abeler	Dehn, R.	Hamilton	Lesch	Myhra	Schoen
Albright	Dettmer	Hansen	Liebling	Nelson	Schomacker
Allen	Dill	Hausman	Lien	Newberger	Scott
Anderson, M.	Dorholt	Hertaus	Lillie	Newton	Selcer
Anderson, P.	Drazkowski	Hilstrom	Loeffler	Nornes	Simon
Anderson, S.	Erhardt	Holberg	Lohmer	Norton	Simonson
Anzalc	Erickson, R.	Hoppe	Loon	O'Driscoll	Sundin
Atkins	Erickson, S.	Hornstein	Mack	O'Neill	Swedzinski
Barrett	Fabian	Hortman	Mahoney	Paymar	Theis
Beard	Falk	Howe	Mariani	Pelowski	Torkelson
Benson, J.	Faust	Huntley	Marquart	Peppin	Uglem
Benson, M.	Fischer	Isaacson	Masin	Persell	Urdahl
Bernardy	FitzSimmons	Johnson, B.	McDonald	Petersburg	Wagenius
Bly	Franson	Johnson, C.	McNamar	Poppe	Ward, J.A.
Brynaert	Freiberg	Johnson, S.	McNamara	Pugh	Ward, J.E.
Carlson	Fritz	Kahn	Melin	Quam	Wills
Clark	Garofalo	Kieffer	Metsa	Radinovich	Winkler
Cornish	Green	Kiel	Moran	Rosenthal	Woodard
Daudt	Gruenhagen	Kresha	Morgan	Runbeck	Yarusso
Davids	Gunther	Laine	Mullery	Sanders	Zellers
Davnie	Hackbarth	Leidiger	Murphy, E.	Savick	Zerwas
Dean, M.	Halverson	Lenczewski	Murphy, M.	Sawatzky	Spk. Thissen

A quorum was present.

Kelly was excused until 3:35 p.m. Slocum was excused until 4:35 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.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 88, A bill for an act relating to veterans; establishing a presumption of rehabilitation through a person's honorable military service following a prior offense; amending Minnesota Statutes 2012, section 364.03, subdivision 3.

Reported the same back with the following amendments:

Page 2, line 16, delete "felony"

With the recommendation that when so amended the bill pass.

The report was adopted.

Paymar from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 449, A bill for an act relating to public safety; modifying provisions relating to 911 funds to make them available for statewide public safety radio communications; amending Minnesota Statutes 2012, section 403.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 403.

Reported the same back with the following amendments:

Page 3, line 5, after "Any" insert "city or" and after "of" insert "cities or"

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

Atkins from the Committee on Commerce and Consumer Protection Finance and Policy to which was referred:

H. F. No. 462, A bill for an act relating to renewable energy; establishing definitions; providing a sunset date for the cellulosic ethanol production goal; converting the ethanol minimum content requirement to a biofuel requirement; expanding the petroleum replacement goal; requiring a biofuels task force; repealing E20 mandate language; amending Minnesota Statutes 2012, sections 41A.10, subdivision 2, by adding a subdivision; 116J.437, subdivision 1; 239.051, by adding subdivisions; 239.791, subdivisions 1, 2a, 2b; 239.7911; 296A.01, by adding a subdivision; repealing Minnesota Statutes 2012, section 239.791, subdivision 1a.

Reported the same back with the following amendments:

Page 3, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 2012, section 239.791, subdivision 1, is amended to read:

Subdivision 1. **Minimum ~~ethanol~~ biofuel content required.** (a) Except as provided in subdivisions 10 to 14, a person responsible for the product shall ensure that all gasoline sold or offered for sale in Minnesota must contain at least the quantity of ethanol biofuel required by clause (1) or (2), ~~whichever is greater~~ at the option of the person responsible for the product:

(1) the greater of:

(i) 10.0 percent ~~denatured ethanol~~ conventional biofuel by volume; or

~~(2)~~ (ii) the maximum percent of ~~denatured ethanol~~ conventional biofuel by volume authorized in a waiver granted by the United States Environmental Protection Agency; or

(2) 10.0 percent of a biofuel, other than a conventional biofuel, by volume authorized in a waiver granted by the United States Environmental Protection Agency or a biofuel formulation registered by the United States Environmental Protection Agency under United States Code, title 42, section 7545.

(b) For purposes of enforcing the ~~minimum ethanol~~ requirement of paragraph (a), clause (1), ~~item (i), or clause (2),~~ a ~~gasoline/ethanol~~ gasoline/biofuel blend will be construed to be in compliance if the ethanol biofuel content, exclusive of denaturants and other permitted components, comprises not less than 9.2 percent by volume and not more than 10.0 percent by volume of the blend as determined by an appropriate United States Environmental Protection Agency or American Society of Testing Materials standard method of analysis ~~of alcohol/ether content in engine fuels.~~

~~(c) The provisions of this subdivision are suspended during any period of time that subdivision 1a, paragraph (a), is in effect. The aggregate amount of biofuel blended pursuant to this subdivision may be any biofuel; however, conventional biofuel must comprise no less than the portion specified on and after the specified dates:~~

<u>(1)</u>	<u>July 1, 2013</u>	<u>90 percent</u>
<u>(2)</u>	<u>January 1, 2015</u>	<u>80 percent</u>
<u>(3)</u>	<u>January 1, 2017</u>	<u>70 percent</u>
<u>(4)</u>	<u>January 1, 2020</u>	<u>60 percent</u>
<u>(5)</u>	<u>January 1, 2025</u>	<u>no minimum"</u>

Page 3, line 33, strike "(2)" and insert "(1), item (ii)"

Page 5, line 30, delete "and"

Page 5, line 31, strike the period and insert "; and"

Page 5, after line 31, insert:

"(7) developing procedures for reporting the amount and type of biofuel under subdivision 1 and section 239.791, subdivision 1, paragraph (c)."

With the recommendation that when so amended the bill pass.

The report was adopted.

Poppe from the Committee on Agriculture Policy to which was referred:

H. F. No. 473, A bill for an act relating to agriculture; establishing the governor's budget for agriculture; appropriating money to the Department of Agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute; modifying provisions related to animal waste technicians; making technical changes; amending Minnesota Statutes 2012, sections 17.03, subdivision 3; 17.1015; 18C.430; 18C.433, subdivision 1.

Reported the same back with the following amendments:

Page 9, delete lines 33 to 35

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment, Natural Resources and Agriculture Finance.

The report was adopted.

Johnson, S., from the Committee on Labor, Workplace and Regulated Industries to which was referred:

H. F. No. 568, A bill for an act relating to employment; modifying use of personal sick leave benefits; amending Minnesota Statutes 2012, section 181.9413.

Reported the same back with the following amendments:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2012, section 181.940, subdivision 4, is amended to read:

Subd. 4. **Child.** "Child" means an individual under 18 years of age or an individual under age 20 who is still attending secondary school, except as otherwise provided."

Page 1, line 5, delete "Section 1" and insert "Sec. 2"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 639, A bill for an act relating to state government; providing that laws governing purchasing from small businesses and targeted group businesses apply to the Minnesota State Colleges and Universities; amending Minnesota Statutes 2012, section 16C.16, subdivision 12.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Higher Education Finance and Policy.

The report was adopted.

Atkins from the Committee on Commerce and Consumer Protection Finance and Policy to which was referred:

H. F. No. 648, A bill for an act relating to commerce; regulating certain lenders that use motor vehicle titles of the borrower as collateral; proposing coding for new law in Minnesota Statutes, chapter 47.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[47.602] MOTOR VEHICLE TITLE LOANS.**

Subdivision 1. **Definitions.** (a) The terms defined in this section have the meanings given them.

(b) "Automobile dealer" means a dealer, as defined in section 168.002, subdivision 6, and a used motor vehicle dealer.

(c) "Banking institution" means a banking institution, as defined in section 48.01, subdivision 2, and includes any bank, savings bank, savings association, or any subsidiary of any of them, that is subject to supervision by a federal regulatory agency.

(d) "Consumer loan" means a loan to a borrower which has a principal amount, or an advance on a credit limit, of \$1,000 or less and requires a minimum payment within 60 days of loan origination or credit advance of more than 25 percent of the principal balance or credit advance. For the purposes of this section, each new advance of money to a borrower under a consumer loan agreement constitutes a new consumer loan.

(e) "Credit union" includes a credit union, as defined under section 52.001, subdivision 4, and a federal credit union, as defined under section 52.001, subdivision 7.

Subd. 2. **Requirements.** A lender who is not a pawnbroker, as defined in section 325J.01, subdivision 4, and uses a title to a motor vehicle as collateral for making a consumer loan:

(1) must possess a valid license from the Department of Commerce as either an industrial loan and thrift company under chapter 53 or a regulated lender under chapter 56;

(2) must comply with all provisions of section 325J.095; and

(3) may not demand or collect interest, fees, or any other charges that in the aggregate exceed the amounts allowed to be demanded and collected under section 325J.07.

Subd. 3. **Exemptions.** This section does not apply to a banking institution, a credit union, an automobile dealer, or any transaction conducted under chapter 53C.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to credit extended on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

Atkins from the Committee on Commerce and Consumer Protection Finance and Policy to which was referred:

H. F. No. 654, A bill for an act relating to commerce; regulating preneed funeral insurance; amending Minnesota Statutes 2012, sections 60A.02, subdivision 28; 61A.258, by adding a subdivision; 72A.207.

Reported the same back with the following amendments:

Page 1, delete section 1

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 692, A bill for an act relating to special assessments; defining unimproved property for purposes of deferments; reorganizing provisions relating to the assessment hearing; making conforming amendments; amending Minnesota Statutes 2012, sections 273.111, subdivisions 3, 11; 273.114, subdivision 8; 429.061, subdivisions 1, 2, by adding subdivisions.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Dill from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 717, A bill for an act relating to natural resources; providing for certain all-terrain vehicle registration and watercraft license exemptions; amending Minnesota Statutes 2012, sections 84.922, subdivision 1a; 86B.301, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"EFFECTIVE DATE. This section is effective January 1, 2014."

Page 1, before line 23, insert:

"Sec. 2. Minnesota Statutes 2012, section 84.9275, subdivision 1, is amended to read:

Subdivision 1. **Pass required; fee.** (a) A tribal member exempt from registration under section 84.922, subdivision 1a, clause (2), or a nonresident may not operate an all-terrain vehicle on a state or grant-in-aid all-terrain vehicle trail unless the operator carries a valid nonresident all-terrain vehicle state trail pass in immediate possession. The pass must be available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

(b) The commissioner of natural resources shall issue a pass upon application and payment of a \$20 fee. The pass is valid from January 1 through December 31. Fees collected under this section, except for the issuing fee for licensing agents, shall be deposited in the state treasury and credited to the all-terrain vehicle account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, must be used for grants-in-aid to counties and municipalities for all-terrain vehicle organizations to construct and maintain all-terrain vehicle trails and use areas.

(c) A nonresident all-terrain vehicle state trail pass is not required for:

(1) an all-terrain vehicle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.922, subdivision 1a;

(2) a person operating an all-terrain vehicle only on the portion of a trail that is owned by the person or the person's spouse, child, or parent; or

(3) a nonresident operating an all-terrain vehicle that is registered according to section 84.922."

Page 2, after line 21, insert:

"EFFECTIVE DATE. This section is effective January 1, 2015."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "modifying nonresident all-terrain vehicle state trail pass requirements;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 737, A bill for an act relating to environment; authorizing certain expenditures from clean water fund; modifying reporting requirements; modifying Petroleum Tank Release Cleanup Act; providing for certification of wastewater laboratories; providing for sanitary districts; repealing obsolete rules; appropriating money; amending Minnesota Statutes 2012, sections 114D.50, subdivision 4; 115A.1320, subdivision 1; 115B.20, subdivision 6; 115B.28, subdivision 1; 115C.02, subdivision 4; 115C.08, subdivision 4, by adding a subdivision; 115D.10; 116.48, subdivision 6; 275.066; 473.846; proposing coding for new law in Minnesota Statutes, chapter 115; proposing coding for new law as Minnesota Statutes, chapter 442A; repealing Minnesota Statutes 2012, sections 115.18, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10; 115.19; 115.20; 115.21; 115.22; 115.23; 115.24; 115.25; 115.26; 115.27; 115.28; 115.29; 115.30; 115.31; 115.32; 115.33; 115.34; 115.35; 115.36; 115.37; Minnesota Rules, parts 7021.0010, subparts 1, 2, 4, 5; 7021.0020; 7021.0030; 7021.0040; 7021.0050, subpart 5; 9210.0300; 9210.0310; 9210.0320; 9210.0330; 9210.0340; 9210.0350; 9210.0360; 9210.0370; 9210.0380; 9220.0530, subpart 6.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Environment, Natural Resources and Agriculture Finance.

A roll call was requested and properly seconded on the adoption of the report from the Committee on Government Operations relating to H. F. No. 737.

The Speaker called Hortman to the Chair.

The question was taken on the adoption of the report from the Committee on Government Operations relating to H. F. No. 737 and the roll was called. There were 72 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Lillie	Murphy, E.	Sawatzky
Anzelc	Erhardt	Hortman	Loeffler	Murphy, M.	Schoen
Atkins	Erickson, R.	Huntley	Mahoney	Nelson	Selcer
Benson, J.	Falk	Isaacson	Mariani	Newton	Simon
Bernardy	Faust	Johnson, C.	Marquart	Norton	Simonson
Bly	Fischer	Johnson, S.	Masin	Paymar	Sundin
Brynaert	Freiberg	Kahn	McNamar	Pelowski	Wagenius
Carlson	Fritz	Laine	Melin	Persell	Ward, J.A.
Clark	Halverson	Lenczewski	Metsa	Poppe	Ward, J.E.
Davnie	Hansen	Lesch	Moran	Radinovich	Winkler
Dehn, R.	Hausman	Liebling	Morgan	Rosenthal	Yarusso
Dill	Hilstrom	Lien	Mullery	Savick	Spk. Thissen

Those who voted in the negative were:

Abeler	Dauids	Gruenhagen	Kiel	Nornes	Scott
Albright	Dean, M.	Gunther	Kresha	O'Driscoll	Swedzinski
Anderson, M.	Dettmer	Hackbarth	Leidiger	O'Neill	Theis
Anderson, P.	Drazkowski	Hamilton	Lohmer	Peppin	Torkelson
Anderson, S.	Erickson, S.	Hertaus	Loon	Petersburg	Uglem
Barrett	Fabian	Holberg	Mack	Pugh	Urdahl
Beard	FitzSimmons	Hoppe	McDonald	Quam	Wills
Benson, M.	Franson	Howe	McNamara	Runbeck	Woodard
Cornish	Garofalo	Johnson, B.	Myhra	Sanders	Zellers
Daudt	Green	Kieffer	Newberger	Schomacker	Zerwas

The report from the Committee on Government Operations relating to H. F. No. 737 was adopted.

Atkins from the Committee on Commerce and Consumer Protection Finance and Policy to which was referred:

H. F. No. 746, A bill for an act relating to liquor; clarifying the citation of Minnesota Statutes, chapter 340A; amending Minnesota Statutes 2012, section 340A.901.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 340A.301, subdivision 6b, is amended to read:

Subd. 6b. **Brewer taproom license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a brewer's license under subdivision 6, clause (c), (i), or (j), a brewer taproom license. A brewer taproom license authorizes on-sale of malt liquor produced by the brewer for consumption on the premises of or

adjacent to one brewery location owned by the brewer. Nothing in this subdivision precludes the holder of a brewer taproom license from also holding a license to operate a restaurant at the brewery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A brewer may only have one taproom license under this subdivision, and may not have an ownership interest in a brewery licensed under subdivision 6, clause (d).

(c) A municipality may not issue a brewer taproom license to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

(d) The municipality shall impose a licensing fee on a brewer holding a brewer taproom license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

(e) A municipality shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The municipality shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.

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

Sec. 2. Minnesota Statutes 2012, section 340A.301, subdivision 6c, is amended to read:

Subd. 6c. ~~Microdistillery fee~~ **Microdistilleries.** (a) Unless prohibited by resolution of a licensing jurisdiction, a microdistillery may provide on its premises samples of distilled spirits manufactured on its premises, in an amount from all varieties not to exceed 15 milliliters per person.

(b) The commissioner shall establish a fee for licensing microdistilleries that adequately covers the cost of issuing the license and other inspection requirements. The fees shall be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purposes of this subdivision.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 3. Minnesota Statutes 2012, section 340A.301, is amended by adding a subdivision to read:

Subd. 6d. **Small brewer license.** (a) A brewer licensed under subdivision 6, clause (c), (i), or (j), may be issued a license by a municipality for off-sale of malt liquor at its licensed premises that has been produced and packaged by the brewer. The license must be approved by the commissioner. The amount of malt liquor sold at off-sale may not exceed 500 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. The malt liquor shall be packed in 64-ounce containers commonly known as "growlers" or in 750 milliliter bottles. The containers or bottles shall bear a twist-type closure, cork, stopper, or plug. At the time of the sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container or bottle and extended over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken upon opening of the container or bottle. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or bottles shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.

(b) A brewer may only have one license under this subdivision.

(c) A municipality may not issue a license under this subdivision to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 20,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

(d) The municipality shall impose a licensing fee on a brewer holding a license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 3, paragraph (a).

Sec. 4. Minnesota Statutes 2012, section 340A.301, subdivision 7, is amended to read:

Subd. 7. **Interest in other business.** (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A brewer licensed under subdivision 6, clause (d), may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in the place of manufacture. Notwithstanding section 340A.405, a brewer who holds an on-sale license issued pursuant to this paragraph ~~or a brewer who manufactures fewer than 3,500 barrels of malt liquor in a year~~ may, with the approval of the commissioner, be issued a license by a municipality for off-sale of malt liquor produced and packaged on the licensed premises. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. The malt liquor shall be packaged in 64-ounce containers commonly known as "growlers" or in 750 milliliter bottles. The containers or bottles shall bear a twist-type closure, cork, stopper, or plug. At the time of the sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container or bottle and extend over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken upon opening of the container or bottle. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or bottles shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100. A brewer's total retail sales at on- or off-sale under this paragraph may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels. A brewer licensed under subdivision 6, clause (d), may hold or have an interest in other retail on-sale licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control. Notwithstanding this prohibition, a brewer licensed under subdivision 6, clause (d), may be an affiliate or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:

(i) manufacture licensed under subdivision 6, clause (d);

(ii) manufacture in another state for consumption exclusively in a restaurant located in the place of manufacture; or

(iii) manufacture in another state for consumption primarily in a restaurant located in or immediately adjacent to the place of manufacture if the brewer was licensed under subdivision 6, clause (d), on January 1, 1995.

(c) Except as provided in subdivision 7a, no brewer as defined in subdivision 7a or importer may have any interest, in whole or in part, directly or indirectly, in the license, business, assets, or corporate stock of a licensed malt liquor wholesaler.

Sec. 5. Minnesota Statutes 2012, section 340A.301, subdivision 7a, is amended to read:

Subd. 7a. **Permitted interests in wholesale business.** (a) A brewer may financially assist a wholesaler of malt liquor through participation in a limited partnership in which the brewer is the limited partner and the wholesaler is the general partner. A limited partnership authorized in this paragraph may not exist for more than ten years from the date of its creation, and may not, directly or indirectly, be recreated, renewed, or extended beyond that date.

(b) A brewer may financially assist a malt liquor wholesaler and collateralize the financing by taking a security interest in the inventory and assets, other than the corporate stock, of the wholesaler. A financial agreement authorized by this paragraph may not be in effect for more than ten years from the date of its creation and may not be directly or indirectly extended or renewed.

(c) A brewer who, after creation of a financial agreement authorized by paragraph (b), or after creation of a limited partnership authorized in paragraph (a), acquires legal or equitable title to the wholesaler's business which was the subject of the agreement or limited partnership, or to the business assets, must divest the business or its assets within two years of the date of acquiring them. A malt liquor wholesaler whose business or assets are acquired by a brewer as described in this paragraph may not enter into another such financial agreement, or participate in another such limited partnership, for 20 years from the date of the acquisition of the business or assets.

(d) A brewer may have an interest in the business, assets, or corporate stock of a malt liquor wholesaler as a result of (1) a judgment against the wholesaler arising out of a default by the wholesaler or (2) acquisition of title to the business, assets, or corporate stock as a result of a written request of the wholesaler. A brewer may maintain ownership of or an interest in the business, assets, or corporate stock under this paragraph for not more than two years and only for the purpose of facilitating an orderly transfer of the business to an owner not affiliated with the brewer.

(e) A brewer may continue to maintain an ownership interest in a malt liquor wholesaler if it owned the interest on January 1, 1991.

(f) A brewer that was legally selling the brewer's own products at wholesale in Minnesota on January 1, 1991, may continue to sell those products at wholesale in the area where it was selling those products on that date.

(g) A brewer that ~~manufactures malt liquor in Minnesota may, if the brewer does not manufacture in Minnesota in any year~~ manufactures no more than ~~25,000~~ 20,000 barrels of malt liquor or its metric equivalent, in a calendar year may own or have an interest in a malt liquor wholesaler that sells only the brewer's products, provided that a brewer that manufactures between 20,000 and 25,000 barrels in any calendar year shall be permitted to continue to own or have an interest in a malt liquor wholesaler that sells only the brewer's products if: (1) that malt liquor wholesaler distributes no more than 20,000 barrels per calendar year; and (2) the brewer has not manufactured 25,000 barrels in any calendar year. Notwithstanding the foregoing, a brewer that manufactured between 20,000 and 25,000 barrels in 2012 shall be permitted to continue to own or have an interest in a malt liquor wholesaler that sells only the brewer's products until that brewer manufactures 25,000 barrels in a calendar year.

(h) When the commissioner issues a license to a malt liquor wholesaler described in paragraph (a) or (b), the commissioner may issue the license only to the entity which is actually operating the wholesale business and may not issue the license to a brewer that is a limited partner under paragraph (a) or providing financial assistance under paragraph (b) unless the brewer has acquired a wholesaler's business or assets under paragraph (c) or (d).

(i) For purposes of this subdivision and subdivision 7, clause (c), "brewer" means:

- (1) a holder of a license to manufacture malt liquor;
- (2) an officer, director, agent, or employee of such a license holder; and
- (3) an affiliate of such a license holder, regardless of whether the affiliation is corporate or by management, direction, or control.

Sec. 6. Minnesota Statutes 2012, section 340A.4042, is amended to read:

340A.4042 WINE OR MALT LIQUOR EDUCATOR; ON-SALE LICENSE.

Subdivision 1. Wine educator license. The commissioner may issue an on-sale license to a person meeting the requirements specified in sections 340A.402 and 340A.409, at an annual cost of \$250 per license to a wine educator and \$50 per permit for each employee of the wine educator that will be pouring wine, under the following conditions:

- (1) the license may be used to purchase wine at retail and serve wine for educational purposes in any part of the state, unless a political subdivision adopts an ordinance prohibiting wine education;
- (2) all events conducted pursuant to this license must be conducted through advance registration, and no walk-in access to the general public is permitted;
- (3) licensees must possess certification that is satisfactory to the commissioner, including, but not limited to, a certified specialist of wine or certified wine educator status as conferred by the Society of Wine Educators, a Wine and Spirits Education Trust Diploma, status as a certified sommelier, or the completion of a wine industry program at a technical college or culinary school. A wine educator must also complete Training for Intervention Procedures (TIPS) or other certified alcohol training programs and have a valid certificate on file with the commissioner;
- (4) a license holder shall not sell alcohol for off-premises consumption and no orders may be taken for future sales;
- (5) classes shall not be conducted at retail businesses that do not have a liquor license during business hours; and
- (6) prior to providing a class authorized under this section, the licensee shall notify the police chief of the city where the class will take place, if the event will take place within the corporate limits of a city. If the city has no police department, the licensee shall notify the city's clerk. If the class will take place outside the corporate limits of any city, the licensee shall notify the sheriff of the county where the class will take place.

Subd. 2. Malt liquor educator license. The commissioner may issue an on-sale license to a person meeting the requirements specified in sections 340A.402 and 340A.409, at an annual cost of \$250 per license to a malt liquor educator and \$50 per permit for each employee of the malt liquor educator that will be pouring malt liquor, under the following conditions:

- (1) the license may be used to purchase malt liquor at retail and serve malt liquor for educational purposes in any part of the state, unless a political subdivision adopts an ordinance prohibiting malt liquor education;
- (2) all events conducted pursuant to this license must be conducted through advance registration, and no walk-in access to the general public is permitted;
- (3) licensees must possess certification that is satisfactory to the commissioner, including, but not limited to, certification as a cicerone, completion of coursework from the Master Brewer's Association of America, or other brewer or brewing certification program acceptable to the commissioner. A malt liquor educator must also complete Training for Intervention Procedures (TIPS) or other certified alcohol training programs and have a valid certificate on file with the commissioner;

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

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

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

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 7. Minnesota Statutes 2012, section 340A.418, is amended to read:

340A.418 WINE OR MALT LIQUOR TASTINGS.

Subdivision 1. **Definition.** For purposes of this section, a "wine or malt liquor tasting" ~~is~~ or "tasting" means an event at which persons pay a fee or donation to participate, and are allowed to consume wine, malt liquor, or both, by the glass without paying a separate charge for each glass.

Subd. 2. **Tastings authorized.** (a) A charitable, religious, or other nonprofit organization may conduct a ~~wine~~ tasting of not more than four hours duration on premises the organization owns or leases or has use donated to it, or on the licensed premises of a holder of an on-sale intoxicating liquor license that is not a temporary license, if the organization holds a temporary on-sale intoxicating liquor license under section 340A.404, subdivision 10, and complies with this section. An organization holding a temporary license may be assisted in conducting the ~~wine~~ tasting by another nonprofit organization.

(b) An organization that conducts a ~~wine~~ tasting under this section may use the net proceeds from the ~~wine~~ tasting only for:

(1) the organization's primary nonprofit purpose; or

(2) donation to another nonprofit organization assisting in the ~~wine~~ tasting, if the other nonprofit organization uses the donation only for that organization's primary nonprofit purpose.

(c) No wine or malt liquor at a ~~wine~~ tasting under this section may be sold, or orders taken, for off-premises consumption.

(d) Notwithstanding any other law, an organization may purchase or otherwise obtain wine or malt liquor for a ~~wine~~ tasting conducted under this section from a wholesaler licensed to sell wine or malt liquor, and the wholesaler may sell or give wine or malt liquor to an organization for a ~~wine~~ tasting conducted under this section and may provide personnel to assist in the ~~wine~~ tasting. A wholesaler who sells or gives wine or malt liquor to an organization for a ~~wine~~ tasting under this section must deliver the wine or malt liquor directly to the location where the ~~wine~~ tasting is conducted.

(e) This section does not prohibit or restrict a ~~wine~~ tasting that is:

(1) located on on-sale premises where no charitable organization is participating; or

(2) located on on-sale premises where the proceeds are for a designated charity but where the tasting is primarily for educational purposes.

(f) The four-hour limitation specified in paragraph (a) shall not apply to a ~~wine~~ tasting at a convention of fine wine, malt liquor, and gourmet food exhibitors, provided the convention has at least 100 exhibitors and takes place over not more than three days.

EFFECTIVE DATE. This section is effective July 1, 2013.

Sec. 8. Laws 1999, chapter 202, section 13, is amended to read:

Sec. 13. **CITY OF ST. PAUL; LICENSES AUTHORIZED.**

(a) The city of St. Paul may issue temporary intoxicating liquor licenses under Minnesota Statutes, section 340A.404, subdivision 10, to Macalester college for the Macalester Scottish fair, Springfest, and for the annual alumni reunion weekend without regard to the limitation in Minnesota Statutes, section 340A.410, subdivision 10, paragraph (b).

(b) Notwithstanding Minnesota Statutes, section 340A.412, subdivision 4, the city of St. Paul may issue a temporary on-sale intoxicating liquor license to ~~Twin Cities Marathon, Inc~~ Twin Cities in Motion, or its successor organization, if any. The license may authorize only the sale of intoxicating malt liquor and 3.2 percent malt liquor on the grounds of the state capitol on the day of the Twin Cities Marathon. The intoxicating malt liquor and 3.2 percent malt liquor must be produced by a Minnesota brewery. All provisions of Minnesota Statutes, section 340A.404, subdivision 10, not inconsistent with this section, apply to the license authorized by this section.

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

Sec. 9. **VALLEY FAIR; ON-SALE LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, or any other law to the contrary, the city of Shakopee may issue an on-sale intoxicating liquor license to Cedar Fair Entertainment Co., dba Valley Fair, in addition to the number authorized by law. The license may authorize sales both to persons attending any and all events, and sales in a restaurant, bar, or banquet facility at Valley Fair. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license under this section. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within the park as described in the approved license application.

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

Sec. 10. **LOWERTOWN REGIONAL BALLPARK; ON-SALE LICENSE.**

Notwithstanding Minnesota Statutes, section 340A.404, subdivision 1, or any other law to the contrary, the city of Saint Paul may issue an on-sale intoxicating liquor license to the St. Paul Saints Baseball Club, Inc., or such other entity affiliated with it that may operate food and beverage concessions at the ballpark, in addition to the number authorized by law. The license may authorize sales both to persons attending any and all events, and sales in a restaurant, bar, or banquet facility at the ballpark. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license under this section. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within the ballpark or on ballpark premises or grounds, as described in the approved license application.

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

Sec. 11. **WHEELER FIELD; 3.2 MALT LIQUOR LICENSE.**

Notwithstanding any law or ordinance to the contrary, the city of Duluth may issue an on-sale intoxicating liquor license for the premises known as Wheeler Field in addition to the number authorized by law. The license may authorize sales to persons attending softball games and other athletic events held at the premises. The license may authorize the sale and consumption of 3.2 malt liquor at the concession stand and approved dining area of the premises. The license may be issued to the city or to a person or corporation under contract or agreement with the city. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the license under this section.

Sec. 12. **EFFECTIVE DATE; LOCAL APPROVAL.**

Section 11 is effective upon approval by the Duluth City Council and compliance with Minnesota Statutes, section 645.021."

Delete the title and insert:

"A bill for an act relating to liquor; allowing brewer taprooms to be located in cities with municipal liquor; allowing a microdistillery to offer samples; allowing certain brewers with production over 3,500 barrels to sell growlers at off-sale; permitting certain malt liquor brewers to be owners or have interest in malt liquor wholesaler; establishing a malt liquor educator license; amending wine tasting statute to permit the consumption of malt liquor; making technical corrections to a beer license for the Twin Cities Marathon; authorizing a license for Valley Fair; allowing an on-sale liquor license for Lowertown Regional Ballpark; authorizing the city of Duluth to issue a malt liquor license for the premises known as Wheeler Field; amending Minnesota Statutes 2012, sections 340A.301, subdivisions 6b, 6c, 7, 7a, by adding a subdivision; 340A.4042; 340A.418; Laws 1999, chapter 202, section 13."

With the recommendation that when so amended the bill pass.

The report was adopted.

Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 751, A bill for an act relating to transportation; mass transit; establishing skyway access requirements for the Central Station on the Central Corridor light rail transit line.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Transportation Finance.

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 779, A bill for an act relating to health plan regulation; establishing health plan market rules; modifying the designation of essential community providers; amending Minnesota Statutes 2012, section 62Q.19, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 62K.

Reported the same back with the following amendments:

Page 8, line 20, after "language," insert "concentrated poverty."

Page 9, line 1, after "SCOPE" insert "PEDIATRIC"

Page 9, lines 2, 5, and 7, after "scope" insert "pediatric"

Page 9, after line 8, insert:

"(d) The commissioner of health shall recommend ways in which to encourage the coordination of dental and medical care to the legislature by February 15, 2014."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Health and Human Services Finance.

Rosenthal was excused between the hours of 3:40 p.m. and 9:30 p.m.

A roll call was requested and properly seconded on the adoption of the report from the Committee on Health and Human Services Policy relating to H. F. No. 779.

The question was taken on the adoption of the report from the Committee on Health and Human Services Policy relating to H. F. No. 779 and the roll was called. There were 71 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Lillie	Murphy, E.	Schoen
Anzelc	Erhardt	Hortman	Loeffler	Murphy, M.	Selcer
Atkins	Erickson, R.	Huntley	Mahoney	Nelson	Simon
Benson, J.	Falk	Isaacson	Mariani	Newton	Simonson
Bernardy	Faust	Johnson, C.	Marquart	Norton	Sundin
Bly	Fischer	Johnson, S.	Masin	Paymar	Wagenius
Brynaert	Freiberg	Kahn	McNamar	Pelowski	Ward, J.A.
Carlson	Fritz	Laine	Melin	Persell	Ward, J.E.
Clark	Halverson	Lenczewski	Metsa	Poppe	Winkler
Davnie	Hansen	Lesch	Moran	Radinovich	Yarusso
Dehn, R.	Hausman	Liebling	Morgan	Savick	Spk. Thissen
Dill	Hilstrom	Lien	Mullery	Sawatzky	

Those who voted in the negative were:

Abeler	Dean, M.	Hackbarth	Leidiger	Peppin	Uglen
Albright	Dettmer	Hamilton	Lohmer	Petersburg	Urdahl
Anderson, M.	Drazkowski	Hertaus	Loon	Pugh	Wills
Anderson, P.	Erickson, S.	Holberg	Mack	Quam	Woodard
Anderson, S.	Fabian	Hoppe	McDonald	Runbeck	Zellers
Barrett	FitzSimmons	Howe	McNamara	Sanders	Zerwas
Beard	Franson	Johnson, B.	Myhra	Schomacker	
Benson, M.	Garofalo	Kelly	Newberger	Scott	
Cornish	Green	Kieffer	Nornes	Swedzinski	
Daudt	Gruenhagen	Kiel	O'Driscoll	Theis	
Davids	Gunther	Kresha	O'Neill	Torkelson	

The report from the Committee on Health and Human Services Policy relating to H. F. No. 779 was adopted.

The Speaker resumed the Chair.

Dill from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 813, A bill for an act relating to natural resources; providing exemption for water-related service provider training; amending Minnesota Statutes 2012, section 84D.108, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 17, delete "remains" and insert "remain" and before the period, insert "and are only removed from and placed into the same water of the state"

With the recommendation that when so amended the bill pass.

The report was adopted.

Liebling from the Committee on Health and Human Services Policy to which was referred:

H. F. No. 861, A bill for an act relating to public health; appropriating money for a statewide text message suicide prevention program.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Hilstrom from the Committee on Judiciary Finance and Policy to which was referred:

H. F. No. 863, A bill for an act relating to campaign finance; providing for additional disclosure; making various changes to campaign finance and public disclosure law; providing penalties; amending Minnesota Statutes 2012, sections 10A.01, subdivisions 10, 11, 27, 28, by adding subdivisions; 10A.02, subdivisions 9, 10, 11, 12, by adding a subdivision; 10A.025, subdivisions 2, 3; 10A.105, subdivision 1; 10A.12, subdivisions 1, 1a, 2; 10A.121, subdivision 1; 10A.14, subdivision 1, by adding a subdivision; 10A.15, subdivisions 1, 2, 3; 10A.20, subdivisions 1, 2, 3, 5, 6, 7, by adding a subdivision; 10A.25, subdivisions 2, 2a, 3, 3a; 10A.257, subdivision 1; 10A.27, subdivisions 1, 10, 11, 13, 14, 15; 10A.323; 13.607, subdivisions 3, 5a; 211B.32, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 2012, sections 10A.24; 10A.241; 10A.242; 10A.25, subdivision 6.

Reported the same back with the following amendments:

Page 5, line 5, delete "211B.04" and insert "211B.01"

Page 6, delete section 13

Page 9, delete section 21 and insert:

"Sec. 20. Minnesota Statutes 2012, section 10A.121, is amended to read:

10A.121 INDEPENDENT EXPENDITURE AND BALLOT QUESTION POLITICAL COMMITTEES AND INDEPENDENT EXPENDITURE POLITICAL FUNDS.

Subdivision 1. **Permitted disbursements.** An independent expenditure political committee or ~~an independent expenditure political fund, or a ballot question political committee or fund, in addition to making independent expenditures,~~ may:

- (1) pay costs associated with its fund-raising and general operations;
- (2) pay for communications that do not constitute contributions or approved expenditures; ~~and~~
- (3) make contributions to ~~other~~ independent expenditure or ballot question political committees or ~~independent expenditure political funds;~~
- (4) make independent expenditures;
- (5) make disbursements for electioneering communications;
- (6) make expenditures to promote or defeat ballot questions;
- (7) return a contribution to its source;
- (8) for a political fund, record bookkeeping entries transferring the association's general treasury money allocated for political purposes back to the general treasury of the association; and
- (9) for a political fund, return general treasury money transferred to a separate depository to the general depository of the association.

Subd. 2. **Penalty.** (a) An independent expenditure political committee or independent expenditure political fund is subject to a civil penalty of up to four times the amount of the contribution or approved expenditure if it does the following:

(1) makes a contribution to a candidate, party unit, political committee, or political fund other than an independent expenditure political committee or an independent expenditure political fund; or

(2) makes an approved expenditure.

(b) No other penalty provided in law may be imposed for conduct that is subject to a civil penalty under this section."

Page 13, line 4, after the second "or" insert "more than \$500 for"

Page 17, delete lines 1 to 6

Page 17, line 7, delete "(c)" and insert "(b)"

Page 17, line 13, after "members" insert ", donors, or subscribers"

Page 17, after line 14, insert:

"(4) a voter guide, which is a pamphlet or similar printed materials, intended to help voters compare candidates' positions on a set of issues, as long as each of the following is true:

(i) the guide does not focus on a single issue or a narrow range of issues, but includes questions and subjects sufficient to encompass major issues of interest to the entire electorate;

(ii) the questions and any other description of the issues are clear and unbiased in both their structure and content;

(iii) the questions posed and provided to the candidates are identical to those included in the guide;

(iv) each candidate included in the guide is given a reasonable amount of time and the same opportunity as other candidates to respond to the questions;

(v) if the candidate is given limited choices for an answer to a question, for example: "support," "oppose," "yes," or "no," the candidate is also given an opportunity, subject to reasonable limits, to explain the candidate's position in the candidate's own words; the fact that a candidate provided an explanation is clearly indicated in the guide; and the guide clearly indicates that the explanations will be made available for public inspection, subject to reasonable conditions;

(vi) answers included in the guide are those provided by the candidates in response to questions, the candidate's answers are unedited, and the answers appear in close proximity to the question to which they respond;

(vii) if the guide includes candidates' positions based on information other than responses provided directly by the candidate, the positions are based on recorded votes, reliable media reports, or public statements of the candidates and are presented in an unedited and unbiased manner; and

(viii) the guide includes all major party candidates for each office listed in the guide;"

Page 17, line 15, delete "(4)" and insert "(5)"

Page 17, line 17, delete "(5)" and insert "(6)"

Page 17, line 20, after "is" insert "or was"

Page 17, line 22, after "session" insert "or within ten days after the last day of a regular session of the legislature"

Page 17, line 23, delete "(d)" and insert "(c)"

Page 17, after line 26, insert:

"(d) Distributing a voter guide questionnaire, survey, or similar document to candidates and communications with candidates limited to obtaining their responses, without more, do not constitute communications that would result in the voter guide being an approved expenditure on behalf of the candidate."

Page 17, line 27, after "electorate." insert "(a)"

Page 17, after line 33, insert:

"(b) A communication consisting of printed materials, other than signs, billboards, or advertisements published in the print media, is targeted to the relevant electorate if it meets the requirements of paragraph (a) and is distributed to voters by means of United States mail or through direct delivery to a resident's home or business."

Page 18, line 30, after "gave" insert "the association"

Page 19, line 1, delete "\$1,000" and insert "\$5,000"

Page 20, line 24, delete "\$100" and insert "\$50"

Page 20, line 25, delete "\$5,000" and insert "\$1,000"

Page 20, line 30, delete "\$10,000" and insert "\$1,000"

Page 20, line 35, after "and" insert "willfully"

Page 21, line 1, delete "not to exceed \$25,000." and insert "that should have been included on the statement."

Page 21, delete line 2

Page 23, lines 33 and 34, reinstate the stricken language

Page 24, lines 1 and 2, reinstate the stricken language

Page 24, line 3, reinstate the stricken "(c)" and delete "(b)"

Page 24, line 6, reinstate the stricken "(d)" and delete "(c)"

Page 24, lines 23 and 24, reinstate the stricken language

Page 25, line 2, strike "50" and insert "25"

Page 26, line 3, strike "ten" and insert "five"

Page 27, line 30, strike "\$1,000" and insert "\$5,000"

Page 30, delete sections 51 and 52

Page 30, line 26, delete "10A.241;"

Page 30, after line 27, insert:

"Sec. 52. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

ReNUMBER the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Murphy, M., from the Committee on State Government Finance and Veterans Affairs to which was referred:

H. F. No. 903, A bill for an act relating to veterans; establishing a veterans home in Beltrami County; proposing coding for new law in Minnesota Statutes, chapter 198.

Reported the same back with the following amendments:

Page 1, line 6, delete "Subdivision 1. Establishment." and delete "shall" and insert "may"

Page 1, delete lines 9 to 15

Amend the title as follows:

Page 1, line 2, delete "establishing" and insert "authorizing"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Dill from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 906, A bill for an act relating to natural resources; requiring the development of silica sand and other nonmetallic minerals mining model standards and criteria; establishing a silica sand technical assistance team; proposing coding for new law in Minnesota Statutes, chapter 116C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[116C.99] SILICA SAND MINING MODEL STANDARDS AND CRITERIA.**

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

(a) "Local unit of government" means a county, statutory or home rule charter city, or town.

(b) "Mining" means excavating and mining silica sand by any process, including digging, excavating, mining, drilling, blasting, tunneling, dredging, stripping, or shafting.

(c) "Processing" means washing, cleaning, screening, crushing, filtering, sorting, processing, stockpiling, and storing silica sand, either at the mining site or at any other site.

(d) "Silica sand" means naturally existing high quartz level sand with a number of uses, including hydraulic fracturing of shale for oil and gas production. Silica sand does not include common rock, stone, aggregate, gravel, sand with a low quartz level, or silica compounds recovered as a by-product of metallic mining.

(e) "Silica sand project" means the excavation and mining of silica sand; the washing, cleaning, screening, crushing, filtering, sorting, processing, stockpiling, and storing of silica sand, either at the mining site or at any other site; the hauling and transporting of silica sand; or a facility for transporting silica sand to destinations by rail, barge, truck, or other means of transportation.

(f) "Temporary storage" means the storage of stock piles of silica sand that have been transported and await further transport.

(g) "Transporting" means hauling and transporting silica sand, by any carrier:

(1) from the mining site to a processing or transfer site; or

(2) from a processing or storage site to a rail, barge, or transfer site for transporting to destinations.

Subd. 2. **Standards and criteria.** (a) By October 1, 2013, the Environmental Quality Board, in consultation with local units of government, shall develop model standards and criteria for mining, processing, and transporting silica sand. These standards and criteria may be used by local units of government in developing local ordinances. The standards and criteria must include:

(1) mining operation and processing setbacks, including:

(i) setbacks no less than ... feet from any residence or residential zoning district boundary;

(ii) setbacks no less than ... feet from any property line or within ... feet of the right-of-way line of any existing or proposed street or highway;

(iii) setbacks no less than feet from ordinary high water levels of public waters;

(iv) setbacks no less than feet from bluffs;

(v) setbacks no less than feet from designated trout streams;

(vi) setbacks no less than feet from calcareous fens;

(vii) setbacks no less than feet from wellhead protection areas; and

(viii) setbacks no less than feet from critical natural habitat acquired by the commissioner of natural resources under section 84.944;

(2) standards for hours of operation;

(3) groundwater and surface water quality and quantity monitoring and mitigation plan requirements, including:

(i) applicable groundwater and surface water appropriation permit requirements;

(ii) well sealing requirements;

(iii) annual submission of monitoring well data; and

(iv) storm water runoff rate limits not to exceed two-, ten-, and 100-year storm events;

(4) air monitoring and data submission requirements;

(5) dust control requirements;

(6) noise testing and mitigation plan requirements;

(7) blast monitoring plan requirements;

(8) lighting requirements;

(9) inspection requirements;

(10) containment requirements for silica sand in temporary storage to protect air and water quality;

(11) containment requirements for chemicals used in processing;

(12) financial assurance requirements; and

(13) reclamation plan requirements as required under the rules adopted by the commissioner of the Pollution Control Agency.

Subd. 3. **Silica sand technical assistance team.** By October 1, 2013, the Environmental Quality Board shall assemble a silica sand technical assistance team to provide local units of government with assistance with ordinance development, zoning, environmental review and permitting, and other issues arising from silica sand mining and processing operations. The technical assistance team shall be comprised of up to seven members, and shall be chosen from the following entities: the Department of Natural Resources, the Pollution Control Agency, the Board of Water and Soil Resources, the Department of Health, the Department of Transportation, the University of Minnesota, and the Minnesota State Colleges and Universities. A majority of the members must be from a state agency and have expertise in one or more of the following areas: silica sand mining, hydrology, air quality, water quality, land use, or other areas related to silica sand mining.

Subd. 4. **Consideration of board recommendations.** (a) When the Environmental Quality Board assembles findings or makes a recommendation related to a proposed silica sand project for the protection of human health and the environment, a local government unit must consider the findings or recommendations of the board in its approval or denial of a silica sand project. If the local government unit does not agree with the board's findings and recommendations, the detailed reasons for the disagreement must be part of the local government unit's record of decision.

(b) Silica sand project proposers must cooperate in providing local government unit staff, and members of the board and technical assistance team with information regarding the project.

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

Sec. 2. **RULES.**

The commissioner of the Pollution Control Agency shall adopt rules to incorporate the Wisconsin Administrative Code, chapters NR 415 and NR 135 in effect as of January 1, 2012, pertaining to nonmetallic mining reclamation and control of particulate emissions into Minnesota Rules. The rules adopted under this section are exempt from the rulemaking provisions of chapter 14 and section 14.386 does not apply.

Sec. 3. **APPROPRIATION; TECHNICAL ASSISTANCE TEAM AND MODEL STANDARDS AND CRITERIA.**

\$...... in fiscal year 2014 is appropriated from the general fund to the Pollution Control Agency for the Environmental Quality Board to develop model standards and criteria and operate a silica sand technical assistance team as required under section 1."

Delete the title and insert:

"A bill for an act relating to natural resources; requiring the development of silica sand mining model standards and criteria; establishing a silica sand technical assistance team; requiring administrative rules; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 116C."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Government Operations.

The report was adopted.

Lesch from the Committee on Civil Law to which was referred:

H. F. No. 909, A bill for an act relating to civil law; providing education requirements for marriage dissolution and legal separation proceeding; proposing coding for new law in Minnesota Statutes, chapter 518; repealing Minnesota Statutes 2012, section 518.157.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Judiciary Finance and Policy.

The report was adopted.

Clark from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 1055, A bill for an act relating to taxation; providing for deposit of certain mortgage registry and deed taxes in an affordable housing fund; amending Minnesota Statutes 2012, sections 287.12; 287.29, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, delete lines 5 and 6 and insert:

"(1) in fiscal year 2014, the first \$95,800,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20;

(2) in fiscal year 2015, the first \$94,000,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20;

(3) in fiscal year 2016, the first \$97,600,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20; and

(4) in fiscal year 2017 and each subsequent fiscal year, the first \$97,400,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20."

Page 2, delete lines 22 and 23 and insert:

"(1) in fiscal year 2014, the first \$82,500,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20;

(2) in fiscal year 2015, the first \$97,600,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20;

(3) in fiscal year 2016, the first \$103,700,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20; and

(4) in fiscal year 2017 and each subsequent fiscal year, the first \$103,400,000 in collections shall be deposited in the general fund, and any excess to the housing development fund under section 462A.20."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, delete "an affordable housing" and insert "the housing development"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Taxes.

A roll call was requested and properly seconded on the adoption of the report from the Committee on Housing Finance and Policy relating to H. F. No. 1055.

The question was taken on the adoption of the report from the Committee on Housing Finance and Policy relating to H. F. No. 1055 and the roll was called. There were 71 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hornstein	Lillie	Murphy, E.	Schoen
Anzelc	Erhardt	Hortman	Loeffler	Murphy, M.	Selcer
Atkins	Erickson, R.	Huntley	Mahoney	Nelson	Simon
Benson, J.	Falk	Isaacson	Mariani	Newton	Simonson
Bernardy	Faust	Johnson, C.	Marquart	Norton	Sundin
Bly	Fischer	Johnson, S.	Masin	Paymar	Wagenius
Brynaert	Freiberg	Kahn	McNamar	Pelowski	Ward, J.A.
Carlson	Fritz	Laine	Melin	Persell	Ward, J.E.
Clark	Halverson	Lenczewski	Metsa	Poppe	Winkler
Davnie	Hansen	Lesch	Moran	Radinovich	Yarusso
Dehn, R.	Hausman	Liebling	Morgan	Savick	Spk. Thissen
Dill	Hilstrom	Lien	Mullery	Sawatzky	

Those who voted in the negative were:

Abeler	Anderson, P.	Beard	Daudt	Dettmer	Fabian
Albright	Anderson, S.	Benson, M.	Dauids	Drazkowski	FitzSimmons
Anderson, M.	Barrett	Cornish	Dean, M.	Erickson, S.	Franson

Garofalo	Hoppe	Lohmer	O'Driscoll	Schomacker	Woodard
Green	Howe	Loon	O'Neill	Scott	Zellers
Gruenhagen	Johnson, B.	Mack	Peppin	Swedzinski	Zerwas
Gunther	Kelly	McDonald	Petersburg	Theis	
Hackbarth	Kieffer	McNamara	Pugh	Torkelson	
Hamilton	Kiel	Myhra	Quam	Uglem	
Hertaus	Kresha	Newberger	Runbeck	Urdahl	
Holberg	Leidiger	Nornes	Sanders	Wills	

The report from the Committee on Housing Finance and Policy relating to H. F. No. 1055 was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1072, A bill for an act relating to local government; establishing a county alternative service delivery pilot program; providing for employees transferred to provide alternative service delivery under the pilot program; proposing coding for new law in Minnesota Statutes, chapter 375.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1158, A bill for an act relating to governmental operations; establishing a school climate council and a school climate center; proposing coding for new law in Minnesota Statutes, chapter 121A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Education Finance.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1178, A bill for an act relating to the military; clarifying that an employee may choose when to use paid military leave; amending Minnesota Statutes 2012, section 192.26.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Dill from the Committee on Environment and Natural Resources Policy to which was referred:

H. F. No. 1185, A bill for an act relating to game and fish; establishing an elk license auction to control elk causing damage or nuisance; appropriating money; amending Minnesota Statutes 2012, section 97B.515, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 10, delete "a sealed bid" and insert "an auction"

Page 1, line 19, delete "conducted through a sealed bid process"

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Environment, Natural Resources and Agriculture Finance.

The report was adopted.

Hilstrom from the Committee on Judiciary Finance and Policy to which was referred:

H. F. No. 1187, A bill for an act relating to sexually exploited youth; expanding safe harbor provisions to include 16 and 17 year olds involved in prostitution; amending Minnesota Statutes 2012, sections 260B.007, subdivisions 6, 16; 260C.007, subdivisions 6, 31; repealing Minnesota Statutes 2012, section 609.093.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1195, A bill for an act relating to local government; giving Hennepin County the same authority as Minneapolis to negotiate agreements relating to skilled trade and craft workers and apprentices; amending Laws 1988, chapter 471, sections 1, subdivisions 1, as amended, 4, as amended; 2, as amended.

Reported the same back with the following amendments:

Page 2, line 15, reinstate the stricken language

Page 2, line 18, delete "; and"

Page 2, lines 19 and 20, delete the new language

With the recommendation that when so amended the bill pass.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1197, A bill for an act relating to the legislative auditor; providing for financial and data security audits; requiring certain notice to the legislative auditor; amending Minnesota Statutes 2012, section 3.971, subdivision 6, by adding subdivisions.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 1255, A bill for an act relating to telecommunications; broadband; establishing the Office of Broadband Development in the Department of Commerce and assigning it duties; requiring the Department of Transportation to post a database on its Web site; requiring reports; amending Minnesota Statutes 2012, section 237.012, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 161; 237.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Government Operations.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1291, A bill for an act relating to state government; providing that certain appropriations continue in effect with certain exceptions and adjustments; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Ways and Means.

The report was adopted.

Nelson from the Committee on Government Operations to which was referred:

H. F. No. 1297, A bill for an act relating to state government; changing provisions of the Legislative Advisory Commission, Legislative Coordinating Commission, Legislative Commission on Pensions and Retirement, Compensation Council, and Mississippi River Parkway Commission; amending Minnesota Statutes 2012, sections 3.30, subdivision 2; 3.303, by adding a subdivision; 3.85, subdivisions 8, 9; 15A.082, subdivisions 1, 2, 3; 161.1419, subdivision 3; repealing Minnesota Statutes 2012, sections 3.304, subdivisions 1, 5; 3.885, subdivision 10; 16A.10, subdivision 1c.

Reported the same back with the following amendments:

Page 4, after line 2, insert:

"Sec. 8. Minnesota Statutes 2012, section 16A.10, subdivision 1c, is amended to read:

Subd. 1c. **Performance measures for change items.** For each change item in the budget proposal requesting new or increased funding, the budget document must present proposed performance measures that can be used to determine if the new or increased funding is accomplishing its goals. To the extent possible, each budget change item must identify relevant ~~Minnesota Milestones and other~~ statewide goals and indicators related to the proposed initiative. ~~The commissioner must report to the Subcommittee on Government Accountability established under section 3.885, subdivision 10, regarding the format to be used for the presentation and selection of Minnesota Milestones and other statewide goals and indicators."~~

Page 4, line 13, before "3.885" insert "and"

Page 4, line 14, delete "; and 16A.10, subdivision 1c"

Renumber the sections in sequence and correct the internal references

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on State Government Finance and Veterans Affairs.

The report was adopted.

Atkins from the Committee on Commerce and Consumer Protection Finance and Policy to which was referred:

H. F. No. 1331, A bill for an act relating to insurance; regulating certain coverages; prohibiting certain exclusions; modifying no-fault benefits and coverages, arbitration and health claims appeals, and provider liens; amending Minnesota Statutes 2012, sections 65B.43, subdivision 5; 65B.44, subdivisions 2, 3, 4, 5, 6; 65B.47, subdivisions 4, 5; 65B.49, subdivision 3a; 65B.525, subdivision 1; 65B.54, subdivision 2, by adding subdivisions; 65B.56, subdivision 1; 72A.327; proposing coding for new law in Minnesota Statutes, chapter 60A.

Reported the same back with the following amendments:

Page 8, line 16, after "examined" insert "for physical injuries"

Page 8, line 17, after "examination" insert "for physical injuries"

With the recommendation that when so amended the bill pass.

The report was adopted.

Paymar from the Committee on Public Safety Finance and Policy to which was referred:

H. F. No. 1400, A bill for an act relating to public safety; modifying certain provisions regarding domestic abuse; amending Minnesota Statutes 2012, sections 518B.01, subdivision 14, by adding a subdivision; 609.2242, subdivision 2; 609.748, subdivision 6; 629.75, subdivision 2, by adding a subdivision; 634.20.

Reported the same back with the following amendments:

Page 7, line 18, strike "abuse" and insert "conduct"

With the recommendation that when so amended the bill pass.

The report was adopted.

Clark from the Committee on Housing Finance and Policy to which was referred:

H. F. No. 1445, A bill for an act relating to public health; establishing a health housing grant program; appropriating money for health housing grants and lead poisoning prevention activities; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Health and Human Services Finance.

The report was adopted.

Erhardt from the Committee on Transportation Policy to which was referred:

H. F. No. 1451, A bill for an act relating to transportation; bridges; providing for disposition of remnant steel of I-35W bridge; proposing coding for new law in Minnesota Statutes, chapter 3.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Civil Law.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 88, 462, 568, 648, 654, 692, 717, 746, 813, 1187, 1195, 1331 and 1400 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Hoppe, Mariani, Zellers and Marquart introduced:

H. F. No. 1558, A bill for an act relating to taxation; income and corporate franchise; modifying the historic structure rehabilitation credit for the purposes of income, corporate franchise, and insurance taxes; amending Minnesota Statutes 2012, section 290.0681, subdivisions 1, 3, 4, 5, 10; Laws 2010, chapter 216, section 11.

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

Newberger, Urdahl, Howe, Kahn and Drazkowski introduced:

H. F. No. 1559, A bill for an act relating to agriculture; modifying certain exemptions from food handler licensing requirements; amending Minnesota Statutes 2012, section 28A.15, subdivisions 9, 10.

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

Scott and Holberg introduced:

H. F. No. 1560, A bill for an act relating to data practices; modifying requirements related to data on employees of a government contractor or subcontractor; amending Minnesota Statutes 2012, section 13.43, subdivision 19.

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

Falk introduced:

H. F. No. 1561, A bill for an act relating to natural resources; appropriating money for a public access site at Lac Qui Parle Lake in Chippewa County.

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

Scott and Holberg introduced:

H. F. No. 1562, A bill for an act relating to data practices; requiring submission to an agency or municipality of certain documents maintained by a contractor upon request; amending Minnesota Statutes 2012, sections 16C.05, subdivision 2; 471.345, by adding a subdivision.

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

Scott and Holberg introduced:

H. F. No. 1563, A bill for an act relating to data practices; modifying provisions related to legislative and budget proposal data; amending Minnesota Statutes 2012, section 13.605, subdivision 1.

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

Petersburg; Johnson, C.; Hamilton and Anderson, P., introduced:

H. F. No. 1564, A bill for an act relating to public safety; requiring rulemaking to ensure private facilities and farm taps are subject to the excavation notice system.

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

Barrett introduced:

H. F. No. 1565, A bill for an act relating to health; requiring disclosures of certain utility policies; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Leidiger introduced:

H. F. No. 1566, A bill for an act relating to transportation; appropriating money for a Safe Routes to School grant to Norwood-Young America for a pedestrian crossing over Highway 212.

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

Hornstein, Newton, Radinovich, Selcer and Bernardy introduced:

H. F. No. 1567, A bill for an act relating to education finance; increasing the formula allowance; amending Minnesota Statutes 2012, section 126C.10, subdivision 2.

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

Bernardy introduced:

H. F. No. 1568, A bill for an act relating to education finance; appropriating money for school technology and operating capital aid.

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

Beard, Masin, Atkins, Morgan, Rosenthal and Erhardt introduced:

H. F. No. 1569, A bill for an act relating to capital investment; appropriating money for improvement and rehabilitation of dredge disposal sites related to commercial, industrial, and public navigation on the Lower Minnesota River; authorizing the sale and issuance of state bonds.

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

Marquart introduced:

H. F. No. 1570, A bill for an act relating to taxation; property; requiring certain taxing jurisdictions to hold public hearings prior to adopting proposed levies; amending Minnesota Statutes 2012, section 275.065, by adding a subdivision.

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

Newton introduced:

H. F. No. 1571, A bill for an act relating to clean water; appropriating money for water resource management practices.

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

McNamar introduced:

H. F. No. 1572, A bill for an act relating to natural resources; appropriating money for a grant from the parks and trails fund to Grant County for trail purposes.

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

Hortman, Abeler, Newton, Uglen and Sundin introduced:

H. F. No. 1573, A bill for an act relating to appropriations; appropriating money for a program to reduce childhood obesity.

The bill was read for the first time and referred to the Committee on State Government Finance and Veterans Affairs.

Newton introduced:

H. F. No. 1574, A bill for an act relating to education finance; creating a state general fund budget priority for funding unreimbursed special education costs; appropriating money; amending Minnesota Statutes 2012, sections 16A.152, subdivision 2; 127A.065.

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

Huntley introduced:

H. F. No. 1575, A bill for an act relating to human services; modifying hospital, nursing home, ICF/DD, and health maintenance organization provider surcharges; providing a medical assistance rate increase; amending Minnesota Statutes 2012, sections 256.9657, subdivisions 1, 2, 3, 3a; 256.9685, subdivision 2; 256.969, subdivisions 3a, 21, 30, by adding subdivisions; 256B.441, subdivision 53; 256B.5012, by adding a subdivision; 256B.69, by adding a subdivision.

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

Gruenhagen and Lohmer introduced:

H. F. No. 1576, A bill for an act relating to public health; requiring labeling of certain human DNA vaccines and informed consent for administration of those vaccines; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Gruenhagen and Lohmer introduced:

H. F. No. 1577, A bill for an act relating to education; creating a special education scholarship program; proposing coding for new law in Minnesota Statutes, chapter 125A.

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

Savick, Dill and Howe introduced:

H. F. No. 1578, A bill for an act relating to taxation; providing sales and property tax incentives for certain businesses; closing JOBZ to new businesses; appropriating money; amending Minnesota Statutes 2012, sections 272.02, by adding a subdivision; 297A.68, by adding a subdivision; 469.310, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 116J; 290.

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

Scott introduced:

H. F. No. 1579, A bill for an act relating to the legislature; requiring disclosure of certain contract and settlement terms; proposing coding for new law in Minnesota Statutes, chapter 3.

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

Mahoney introduced:

H. F. No. 1580, A bill for an act relating to transportation; directing commissioner of transportation to develop legislation concerning autonomous vehicles.

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

Quam and Kresha introduced:

H. F. No. 1581, A bill for an act relating to human services; modifying the supplemental rate for group residential housing providers; amending Minnesota Statutes 2012, section 256I.05, by adding a subdivision.

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

Kresha; Anderson, M., and Quam introduced:

H. F. No. 1582, A bill for an act relating to human services; providing an exception to a licensing moratorium; amending Minnesota Statutes 2012, section 245A.03, subdivision 7.

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

Slocum, Wagenius and Urdahl introduced:

H. F. No. 1583, A bill for an act relating to capital investment; appropriating money for redevelopment of the Fort Snelling Upper Post; 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 and Policy.

Poppe, Atkins, Hamilton, Gunther, Hoppe and Wagenius introduced:

H. F. No. 1584, A bill for an act relating to agriculture; directing the NextGen Energy Board to examine biobased chemical production from agricultural and forestry feedstocks; amending Minnesota Statutes 2012, section 41A.105, subdivisions 1a, 3.

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

Cornish introduced:

H. F. No. 1585, A bill for an act relating to crime; extending the felony of fraudulent or other improper financing statements to include retaliation against a police officer or chief of police for performing official duties; amending Minnesota Statutes 2012, section 609.7475, subdivision 3.

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

Norton and Abeler introduced:

H. F. No. 1586, A bill for an act relating to human services; modifying payment methodologies for home and community-based services waivers; amending Minnesota Statutes 2012, sections 256B.0916, subdivision 2; 256B.092, subdivision 4; 256B.49, subdivision 17; 256B.4913; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Halverson, Zellers and Hoppe introduced:

H. F. No. 1587, A bill for an act relating to insurance; regulating foreign language policies and advertising; authorizing electronic notices and documents; amending Minnesota Statutes 2012, sections 60A.08, by adding a subdivision; 65A.01, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Rules, part 2700.0200.

The bill was read for the first time and referred to the Committee on Commerce and Consumer Protection Finance and Policy.

Fabian and Kiel introduced:

H. F. No. 1588, A bill for an act relating to capital investment; appropriating money for wastewater infrastructure and utility improvements in Thief River Falls; 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 and Policy.

Morgan and Selcer introduced:

H. F. No. 1589, A bill for an act relating to education; requiring the Board of School Administrators to study the development of a Minnesota comprehensive system for principal development; requiring a report.

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

Abeler and Huntley introduced:

H. F. No. 1590, A bill for an act relating to health; requiring a study of for-profit and not-for-profit health maintenance organizations on certain parameters.

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

Abeler introduced:

H. F. No. 1591, A bill for an act relating to health; removing the term "nonprofit" from certain provisions; amending Minnesota Statutes 2012, sections 62C.01; 62C.02, subdivision 6; 62D.02, subdivision 4.

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

Mullery introduced:

H. F. No. 1592, A bill for an act relating to early childhood education; allocating a portion of scholarship funds; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

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

Persell, Torkelson and Mahoney introduced:

H. F. No. 1593, A bill for an act relating to taxation; property; clarifying manufactured homes as dealer inventory; amending Minnesota Statutes 2012, section 168.012, subdivision 9, by adding a subdivision.

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

Erickson, S.; Mariani; Nornes; Benson, J.; Rosenthal and Moran introduced:

H. F. No. 1594, A bill for an act relating to higher education; providing funding for the Teach for America program; appropriating money.

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

Simonson introduced:

H. F. No. 1595, A bill for an act relating to housing; directing the Minnesota Housing Finance Agency to assist in the repair of flood-damaged properties; requiring a report.

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

Davids introduced:

H. F. No. 1596, A bill for an act relating to capital investment; appropriating money for a National Trout Center; authorizing the sale and issuance of state bonds.

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

Abeler, Dettmer and Newton introduced:

H. F. No. 1597, A bill for an act relating to higher education; modifying standards for awarding academic credit for certain military training or service programs; amending Minnesota Statutes 2012, section 197.775, subdivisions 1, 2.

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

Abeler introduced:

H. F. No. 1598, A bill for an act relating to public safety; requiring health clubs to notify members of criminal incidents involving child members; proposing coding for new law in Minnesota Statutes, chapter 624.

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

Abeler and Morgan introduced:

H. F. No. 1599, A bill for an act relating to health-related licensing boards; appropriating money.

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

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

Daudt moved that Joint Rule 2.06, relating to Conference Committees, be suspended as it relates to H. F. No. 5. The motion prevailed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 5

A bill for an act relating to commerce; establishing the Minnesota Insurance Marketplace; prescribing its powers and duties; prohibiting abortion coverage with certain exemptions; recognizing the right to a person's physician of choice; establishing the right not to participate; specifying open meeting requirements and data practices procedures; appropriating money; amending Minnesota Statutes 2012, section 13.7191, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62V.

March 14, 2013

The Honorable Paul Thissen
Speaker of the House of Representatives

The Honorable Sandra L. Pappas
President of the Senate

We, the undersigned conferees for H. F. No. 5 report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 5 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 13.7191, is amended by adding a subdivision to read:

Subd. 14a. **Minnesota Insurance Marketplace.** Classification and sharing of data of the Minnesota Insurance Marketplace is governed by section 62V.06.

Sec. 2. Minnesota Statutes 2012, section 13D.08, is amended by adding a subdivision to read:

Subd. 5a. **Minnesota Insurance Marketplace.** Meetings of the Minnesota Insurance Marketplace are governed by section 62V.03, subdivision 2.

Sec. 3. **[62V.01] TITLE.**

This chapter may be cited as the "Minnesota Insurance Marketplace Act."

Sec. 4. **[62V.02] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter, the following terms have the meanings given.

Subd. 2. **Board.** "Board" means the Board of Directors of the Minnesota Insurance Marketplace specified in section 62V.04.

Subd. 3. **Dental plan.** "Dental plan" has the meaning defined in section 62Q.76, subdivision 3.

Subd. 4. **Health plan.** "Health plan" means a policy, contract, certificate, or agreement defined in section 62A.011, subdivision 3.

Subd. 5. **Health carrier.** "Health carrier" has the meaning defined in section 62A.011.

Subd. 6. **Individual market.** "Individual market" means the market for health insurance coverage offered to individuals.

Subd. 7. **Insurance producer.** "Insurance producer" has the meaning defined in section 60K.31.

Subd. 8. **Minnesota Insurance Marketplace.** "Minnesota Insurance Marketplace" means the Minnesota Insurance Marketplace created as a state health benefit exchange as described in section 1311 of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 9. **Navigator.** "Navigator" has the meaning described in section 1311(i) of the federal Patient Protection and Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Subd. 10. **Public health care program.** "Public health care program" means any public health care program administered by the commissioner of human services.

Subd. 11. **Qualified health plan.** "Qualified health plan" means a health plan that meets the definition in section 1301(a) of the Affordable Care Act, Public Law 111-148, and has been certified by the board in accordance with section 62V.05, subdivision 5, to be offered through the Minnesota Insurance Marketplace.

Subd. 12. **Small group market.** "Small group market" means the market for health insurance coverage offered to small employers as defined in section 62L.02, subdivision 26.

Subd. 13. **Web site.** "Web site" means a site maintained on the World Wide Web by the Minnesota Insurance Marketplace that allows for access to information and services provided by the Minnesota Insurance Marketplace.

Sec. 5. **[62V.03] MINNESOTA INSURANCE MARKETPLACE; ESTABLISHMENT.**

Subdivision 1. **Creation.** The Minnesota Insurance Marketplace is created as a board under section 15.012, paragraph (a), to:

(1) promote informed consumer choice, innovation, competition, quality, value, market participation, affordability, suitable and meaningful choices, health improvement, care management, reduction of health disparities, and portability of health plans;

(2) facilitate and simplify the comparison, choice, enrollment, and purchase of health plans for individuals purchasing in the individual market through the Minnesota Insurance Marketplace and for employees and employers purchasing in the small group market through the Minnesota Insurance Marketplace;

(3) assist small employers with access to small business health insurance tax credits and to assist individuals with access to public health care programs, premium assistance tax credits and cost-sharing reductions, and certificates of exemption from individual responsibility requirements;

(4) facilitate the integration and transition of individuals between public health care programs and health plans in the individual or group market and develop processes that, to the maximum extent possible, provide for continuous coverage; and

(5) establish and modify as necessary a name and brand for the Minnesota Insurance Marketplace based on market studies that show maximum effectiveness in attracting the uninsured and motivating them to take action.

Subd. 2. **Application of other law.** (a) The Minnesota Insurance Marketplace must be reviewed by the legislative auditor under section 3.971. The legislative auditor shall audit the books, accounts, and affairs of the Minnesota Insurance Marketplace once each year or less frequently as the legislative auditor's funds and personnel permit. Upon the audit of the financial accounts and affairs of the Minnesota Insurance Marketplace, the Minnesota Insurance Marketplace is liable to the state for the total cost and expenses of the audit, including the salaries paid to the examiners while actually engaged in making the examination. The legislative auditor may bill the Minnesota Insurance Marketplace either monthly or at the completion of the audit. All collections received for the audits must be deposited in the general fund and are appropriated to the legislative auditor. Pursuant to section 3.97, subdivision 3a, the Legislative Audit Commission is requested to direct the legislative auditor to report by March 1, 2014, to the legislature on any duplication of services that occurs within state government as a result of the creation of the Minnesota Insurance Marketplace. The legislative auditor may make recommendations on consolidating or eliminating any services deemed duplicative. The board shall reimburse the legislative auditor for any costs incurred in the creation of this report.

(b) Board members of the Minnesota Insurance Marketplace are subject to sections 10A.07 and 10A.09. Board members and the personnel of the Minnesota Insurance Marketplace are subject to section 10A.071.

(c) All meetings of the board shall comply with the open meeting law in chapter 13D, except that:

(1) meetings, or portions of meetings, regarding compensation negotiations with the director or managerial staff may be closed in the same manner and according to the same procedures identified in section 13D.03;

(2) meetings regarding contract negotiation strategy may be closed in the same manner and according to the same procedures identified in section 13D.05, subdivision 3, paragraph (c); and

(3) meetings, or portions of meetings, regarding not public data described in section 62V.06, subdivision 3, and regarding trade secret information as defined in section 13.37, subdivision 1, paragraph (b), are closed to the public, but must otherwise comply with the procedures identified in chapter 13D.

(d) The Minnesota Insurance Marketplace and provisions specified under this chapter are exempt from:

(1) chapter 14, including section 14.386, except as specified in section 62V.05; and

(2) chapters 16B and 16C, with the exception of sections 16C.08, subdivision 2, paragraph (b), clauses (1) to (8); 16C.086; 16C.09, paragraph (a), clauses (1) and (3), paragraph (b), and paragraph (c); and section 16C.16. However, the Minnesota Insurance Marketplace, in consultation with the commissioner of administration, shall implement policies and procedures to establish an open and competitive procurement process for the Minnesota Insurance Marketplace that, to the extent practicable, conforms to the principles and procedures contained in chapters 16B and 16C. In addition, the Minnesota Insurance Marketplace may enter into an agreement with the commissioner of administration for other services.

(e) The board and the Web site are exempt from chapter 60K. Any employee of the Minnesota Insurance Marketplace who sells, solicits, or negotiates insurance to individuals or small employers must be licensed as an insurance producer under chapter 60K.

(f) Section 3.3005 applies to any federal funds received by the Minnesota Insurance Marketplace.

(g) The Minnesota Insurance Marketplace is exempt from the following sections in chapter 16E: 16E.01, subdivision 3, paragraph (b); 16E.03, subdivisions 3 and 4; 16E.04, subdivision 1, subdivision 2, paragraph (e), and subdivision 3, paragraph (b); 16E.0465; 16E.055; 16E.145; 16E.15; 16E.16; 16E.17; 16E.18; and 16E.22.

(h) A Minnesota Insurance Marketplace decision that requires a vote of the board, other than a decision that applies only to hiring of employees or other internal management of the Minnesota Insurance Marketplace, is an "administrative action" under section 10A.01, subdivision 2.

Subd. 3. **Continued operation of a private marketplace.** (a) Nothing in this chapter shall be construed to prohibit: (1) a health carrier from offering outside of the Minnesota Insurance Marketplace a health plan to a qualified individual or qualified employer; and (2) a qualified individual from enrolling in, or a qualified employer from selecting for its employees, a health plan offered outside of the Minnesota Insurance Marketplace.

(b) Nothing in this chapter shall be construed to restrict the choice of a qualified individual to enroll or not enroll in a qualified health plan or to participate in the Minnesota Insurance Marketplace. Nothing in this chapter shall be construed to compel an individual to enroll in a qualified health plan or to participate in the Minnesota Insurance Marketplace.

(c) For purposes of this subdivision, "qualified individual" and "qualified employer" have the meanings given in section 1312 of the Affordable Care Act, Public Law 111-148, and further defined through amendments to the act and regulations issued under the act.

Sec. 6. **[62V.04] GOVERNANCE.**

Subdivision 1. **Board.** The Minnesota Insurance Marketplace is governed by a board of directors with seven members.

Subd. 2. **Appointment.** (a) Board membership of the Minnesota Insurance Marketplace consists of the following:

(1) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d), with one member representing the interests of individual consumers eligible for individual market coverage, one member representing individual consumers eligible for public health care program coverage, and one member representing small employers. Members are appointed to serve four-year terms following the initial staggered-term lot determination;

(2) three members appointed by the governor with the advice and consent of both the senate and the house of representatives acting separately in accordance with paragraph (d) who have demonstrated expertise, leadership, and innovation in the following areas: one member representing the areas of health administration, health care finance, health plan purchasing, and health care delivery systems; one member representing the areas of public health, health disparities, public health care programs, and the uninsured; and one member representing health policy issues related to the small group and individual markets. Members are appointed to serve four-year terms following the initial staggered-term lot determination; and

(3) the commissioner of human services or a designee.

(b) Section 15.0597 shall apply to all appointments, except for the commissioner.

(c) The governor shall make appointments to the board that are consistent with federal law and regulations regarding its composition and structure. All board members appointed by the governor must be legal residents of Minnesota.

(d) Upon appointment by the governor, a board member shall exercise duties of office immediately. If both the house of representatives and the senate vote not to confirm an appointment, the appointment terminates on the day following the vote not to confirm in the second body to vote.

(e) Initial appointments shall be made by April 30, 2013.

(f) One of the six members appointed under paragraph (a), clause (1) or (2), must have experience in representing the needs of vulnerable populations and persons with disabilities.

(g) Membership on the board must include representation from outside the seven-county metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 3. Terms. (a) Board members may serve no more than two consecutive terms, except for the commissioner or the commissioner's designee, who shall serve until replaced by the governor.

(b) A board member may resign at any time by giving written notice to the board.

(c) The appointed members under subdivision 2, paragraph (a), clauses (1) and (2), shall have an initial term of two, three, or four years, determined by lot by the secretary of state.

Subd. 4. Conflicts of interest. (a) Within one year prior to or at any time during their appointed term, board members appointed under subdivision 2, paragraph (a), clauses (1) and (2), shall not be employed by, be a member of the board of directors of, or otherwise be a representative of a health carrier, institutional health care provider or other entity providing health care, navigator, insurance producer, or other entity in the business of selling items or services of significant value to or through the Minnesota Insurance Marketplace. For purposes of this paragraph, "health care provider or entity" does not include an academic institution.

(b) Board members must recuse themselves from discussion of and voting on an official matter if the board member has a conflict of interest. A conflict of interest means an association including a financial or personal association that has the potential to bias or have the appearance of biasing a board member's decisions in matters related to the exchange or the conduct of activities under this chapter.

(c) No board member shall have a spouse who is an executive of a health carrier.

(d) No member of the board may currently serve as a lobbyist, as defined under section 10A.01, subdivision 21.

Subd. 5. Acting chair; first meeting; supervision. (a) The governor shall designate as acting chair one of the appointees described in subdivision 2.

(b) The board shall hold its first meeting within 60 days of enactment.

(c) The board shall elect a chair to replace the acting chair at the first meeting.

Subd. 6. Chair. The board shall have a chair, elected by a majority of members. The chair shall serve for one year.

Subd. 7. Officers. The members of the board shall elect officers by a majority of members. The officers shall serve for one year.

Subd. 8. Vacancies. If a vacancy occurs, the governor shall appoint a new member within 90 days, and the newly appointed member shall be subject to the same confirmation process described in subdivision 2.

Subd. 9. Removal. (a) A board member may be removed by the appointing authority and a majority vote of the board following notice and hearing before the board. For purposes of this subdivision, the appointing authority or a designee of the appointing authority shall be a voting member of the board for purposes of constituting a quorum.

(b) A conflict of interest as defined in subdivision 4, shall be cause for removal from the board.

Subd. 10. Meetings. The board shall meet at least quarterly.

Subd. 11. **Quorum.** A majority of the members of the board constitutes a quorum, and the affirmative vote of a majority of members of the board is necessary and sufficient for action taken by the board.

Subd. 12. **Compensation.** (a) The board members shall be paid a salary not to exceed the salary limits established under section 15A.0815, subdivision 4. The salary for board members shall be set in accordance with this subdivision and section 15A.0815, subdivision 5. This paragraph expires December 31, 2015.

(b) Beginning January 1, 2016, the board members may be compensated in accordance with section 15.0575.

Subd. 13. **Advisory committees.** (a) The board shall establish and maintain advisory committees to provide insurance producers, health care providers, the health care industry, consumers, and other stakeholders with the opportunity to advise the board regarding the operation of the Minnesota Insurance Marketplace as required under section 1311(d)(6) of the Affordable Care Act, Public Law 111-148. The board shall regularly consult with the advisory committees. The advisory committees established under this paragraph shall not expire.

(b) The board may establish additional advisory committees, as necessary, to gather and provide information to the board in order to facilitate the operation of the Minnesota Insurance Marketplace. The advisory committees established under this paragraph shall not expire, except by action of the board.

(c) Section 15.0597 shall not apply to any advisory committee established by the board under this subdivision.

(d) The board may provide compensation and expense reimbursement under section 15.059, subdivision 3, to members of the advisory committees.

Sec. 7. **[62V.05] RESPONSIBILITIES AND POWERS OF THE MINNESOTA INSURANCE MARKETPLACE.**

Subdivision 1. **General.** (a) The board shall operate the Minnesota Insurance Marketplace according to this chapter and applicable state and federal law.

(b) The board has the power to:

(1) employ personnel and delegate administrative, operational, and other responsibilities to the director and other personnel as deemed appropriate by the board. This authority is subject to chapters 43A and 179A. The director and managerial staff of the Minnesota Insurance Marketplace shall serve in the unclassified service and shall be governed by a compensation plan prepared by the board, submitted to the commissioner of management and budget for review and comment within 14 days of its receipt, and approved by the Legislative Coordinating Commission and the legislature under section 3.855, except that section 15A.0815, subdivision 5, paragraph (e), shall not apply;

(2) establish the budget of the Minnesota Insurance Marketplace;

(3) seek and accept money, grants, loans, donations, materials, services, or advertising revenue from government agencies, philanthropic organizations, and public and private sources to fund the operation of the Minnesota Insurance Marketplace. No health carrier or insurance producer shall advertise on the Minnesota Insurance Marketplace;

(4) contract for the receipt and provision of goods and services;

(5) enter into information-sharing agreements with federal and state agencies and other entities, provided the agreements include adequate protections with respect to the confidentiality and integrity of the information to be shared, and comply with all applicable state and federal laws, regulations, and rules, including the requirements of section 62V.06; and

(6) exercise all powers reasonably necessary to implement and administer the requirements of this chapter and the Affordable Care Act, Public Law 111-148.

(c) The board shall establish policies and procedures to gather public comment and provide public notice in the State Register.

(d) Within 180 days of enactment, the board shall establish bylaws, policies, and procedures governing the operations of the Minnesota Insurance Marketplace in accordance with this chapter.

Subd. 2. **Operations funding.** (a) Prior to January 1, 2015, the Minnesota Insurance Marketplace shall retain or collect up to 1.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the cash reserves of the Minnesota Insurance Marketplace, but the amount collected shall not exceed a dollar amount equal to 25 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(b) Beginning January 1, 2015, the Minnesota Insurance Marketplace shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the operations of the Minnesota Insurance Marketplace, but the amount collected shall not exceed a dollar amount equal to 50 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(c) Beginning January 1, 2016, the Minnesota Insurance Marketplace shall retain or collect up to 3.5 percent of total premiums for individual and small group market health plans and dental plans sold through the Minnesota Insurance Marketplace to fund the operations of the Minnesota Insurance Marketplace, but the amount collected may never exceed a dollar amount greater than 100 percent of the funds collected under Minnesota Statutes, section 62E.11, subdivision 6, for calendar year 2012.

(d) For fiscal years 2014 and 2015, the commissioner of management and budget is authorized to provide cash flow assistance of up to \$20,000,000 from the special revenue fund or the statutory general fund under Minnesota Statutes, section 16A.671, subdivision 3, paragraph (a), to the Minnesota Insurance Marketplace. Any funds provided under this paragraph shall be repaid, with interest, by June 30, 2015.

(e) Funding for the operations of the Minnesota Insurance Marketplace shall cover any compensation provided to navigators participating in the navigator program.

Subd. 3. **Insurance producers.** (a) By April 30, 2013, the board, in consultation with the commissioner of commerce, shall establish certification requirements that must be met by insurance producers in order to assist individuals and small employers with purchasing coverage through the Minnesota Insurance Marketplace. Prior to January 1, 2015, the board may amend the requirements, only if necessary, due to a change in federal rules.

(b) Certification requirements shall not exceed the requirements established under Code of Federal Regulations, title 45, part 155.220. Certification shall include training on health plans available through the Minnesota Insurance Marketplace, available tax credits and cost-sharing arrangements, compliance with privacy and security standards, eligibility verification processes, online enrollment tools, and basic information on available public health care programs. Training required for certification under this subdivision shall qualify for continuing education requirements for insurance producers required under chapter 60K, and must comply with course approval requirements under chapter 45.

(c) Producer compensation shall be established by health carriers that provide health plans through the Minnesota Insurance Marketplace. The structure of compensation to insurance producers must be similar for health plans sold through the Minnesota Insurance Marketplace and outside the Minnesota Insurance Marketplace.

(d) Any insurance producer compensation structure established by a health carrier for the small group market must include compensation for defined contribution plans that involve multiple health carriers. The compensation offered must be commensurate with other small group market defined health plans.

(e) Any insurance producer assisting an individual or small employer with purchasing coverage through the Minnesota Insurance Marketplace must disclose, orally and in writing, to the individual or small employer at the time of the first solicitation with the prospective purchaser the following:

(1) the health carriers and qualified health plans offered through the Minnesota Insurance Marketplace that the producer is authorized to sell, and that the producer may not be authorized to sell all the qualified health plans offered through the Minnesota Insurance Marketplace;

(2) that the producer may be receiving compensation from a health carrier for enrolling the individual or small employer into a particular health plan; and

(3) that information on all qualified health plans offered through the Minnesota Insurance Marketplace is available through the Minnesota Insurance Marketplace Web site.

For purposes of this paragraph, "solicitation" means any contact by a producer, or any person acting on behalf of a producer made for the purpose of selling or attempting to sell coverage through the Minnesota Insurance Marketplace. If the first solicitation is made by telephone, the disclosures required under this paragraph need not be made in writing, but the fact that disclosure has been made must be acknowledged on the application.

(f) Beginning January 15, 2015, each health carrier that offers or sells qualified health plans through the Minnesota Insurance Marketplace shall report in writing to the board and the commissioner of commerce the compensation and other incentives it offers or provides to insurance producers with regard to each type of health plan the health carrier offers or sells both inside and outside of the Minnesota Insurance Marketplace. Each health carrier shall submit a report annually and upon any change to the compensation or other incentives offered or provided to insurance producers.

(g) Nothing in this chapter shall prohibit an insurance producer from offering professional advice and recommendations to a small group purchaser based upon information provided to the producer.

(h) An insurance producer that offers health plans in the small group market shall notify each small group purchaser of which group health plans qualify for Internal Revenue Service approved section 125 tax benefits. The insurance producer shall also notify small group purchasers of state law provisions that benefit small group plans when the employer agrees to pay 50 percent or more of its employees' premium. Individuals who are eligible for cost-effective medical assistance will count toward the 75 percent participation requirement in section 62L.03, subdivision 3.

(i) Nothing in this subdivision shall be construed to limit the licensure requirements or regulatory functions of the commissioner of commerce under chapter 60K.

Subd. 4. Navigator; in-person assisters; call center. (a) The board shall establish policies and procedures for the ongoing operation of a navigator program, in-person assister program, call center, and customer service provisions for the Minnesota Insurance Marketplace to be implemented beginning January 1, 2015.

(b) Until the implementation of the policies and procedures described in paragraph (a), the following shall be in effect:

(1) the navigator program shall be met by section 256.962;

(2) entities eligible to be navigators, including entities defined in Code of Federal Regulations, title 45, part 155.210(c)(2), may serve as in-person assisters;

(3) the board shall establish requirements and compensation for the navigator program and the in-person assister program by April 30, 2013. Compensation for navigators and in-person assisters must take into account any other compensation received by the navigator or in-person assister for conducting the same or similar services; and

(4) call center operations shall utilize existing state resources and personnel, including referrals to counties for medical assistance.

(c) The board shall establish a toll-free number for the Minnesota Insurance Marketplace and may hire and contract for additional resources as deemed necessary.

(d) The navigator program and in-person assister program must meet the requirements of section 1311(i) of the Affordable Care Act, Public Law 111-148. In establishing training standards for the navigators and in-person assisters, the board must ensure that all entities and individuals carrying out navigator and in-person assister functions have training in the needs of underserved and vulnerable populations; eligibility and enrollment rules and procedures; the range of available public health care programs and qualified health plan options offered through the Minnesota Insurance Marketplace; and privacy and security standards. For calendar year 2014, the commissioner of human services shall ensure that the navigator program under section 256.962 provides application assistance for both qualified health plans offered through the Minnesota Insurance Marketplace and public health care programs.

(e) The board must ensure that any information provided by navigators, in-person assisters, the call center, or other customer assistance portals be accessible to persons with disabilities and that information provided on public health care programs include information on other coverage options available to persons with disabilities.

Subd. 5. Health carrier and health plan requirements; participation. (a) Beginning January 1, 2015, the board may establish certification requirements for health carriers and health plans to be offered through the Minnesota Insurance Marketplace that satisfy federal requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(b) Paragraph (a) does not apply if by June 1, 2013, the legislature enacts regulatory requirements that:

(1) apply uniformly to all health carriers and health plans in the individual market;

(2) apply uniformly to all health carriers and health plans in the small group market; and

(3) satisfy minimum federal certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(c) In accordance with section 1311(e) of the Affordable Care Act, Public Law 111-148, the board shall establish policies and procedures for certification and selection of health plans to be offered as qualified health plans through the Minnesota Insurance Marketplace. The board shall certify and select a health plan as a qualified health plan to be offered through the Minnesota Insurance Marketplace, if:

(1) the health plan meets the minimum certification requirements established in paragraph (a) or the market regulatory requirements in paragraph (b);

(2) the board determines that making the health plan available through the Minnesota Insurance Marketplace is in the interest of qualified individuals and qualified employers;

(3) the health carrier applying to offer the health plan through the Minnesota Insurance Marketplace also applies to offer health plans at each actuarial value level and service area that the health carrier currently offers in the individual and small group markets; and

(4) the health carrier does not apply to offer health plans in the individual and small group markets through the Minnesota Insurance Marketplace under a separate license of a parent organization or holding company under section 60D.15, that is different from what the health carrier offers in the individual and small group markets outside the Minnesota Insurance Marketplace.

(d) In determining the interests of qualified individuals and employers under paragraph (c), clause (2), the board may not exclude a health plan for any reason specified under section 1311(e)(1)(B) of the Affordable Care Act, Public Law 111-148. The board may consider:

(1) affordability;

(2) quality and value of health plans;

(3) promotion of prevention and wellness;

(4) promotion of initiatives to reduce health disparities;

(5) market stability and adverse selection;

(6) meaningful choices and access;

(7) alignment and coordination with state agency and private sector purchasing strategies and payment reform efforts; and

(8) other criteria that the board determines appropriate.

(e) For qualified health plans offered through the Minnesota Insurance Marketplace on or after January 1, 2015, the board shall establish policies and procedures under paragraphs (c) and (d) for selection of health plans to be offered as qualified health plans through the Minnesota Insurance Marketplace by February 1 of each year, beginning February 1, 2014. The board shall consistently and uniformly apply all policies and procedures and any requirements, standards, or criteria to all health carriers and health plans. For any policies, procedures, requirements, standards, or criteria that are defined as rules under section 14.02, subdivision 4, the board may use the process described in subdivision 9.

(f) For 2014, the board shall not have the power to select health carriers and health plans for participation in the Minnesota Insurance Marketplace. The board shall permit all health plans that meet the certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, to be offered through the Minnesota Insurance Marketplace.

(g) Under this subdivision, the board shall have the power to verify that health carriers and health plans are properly certified to be eligible for participation in the Minnesota Insurance Marketplace.

(h) The board has the authority to decertify health carriers and health plans that fail to maintain compliance with section 1311(c)(1) of the Affordable Care Act, Public Law 111-148.

(i) For qualified health plans offered through the Minnesota Insurance Marketplace beginning January 1, 2015, health carriers must use the most current addendum for Indian health care providers approved by the Centers for Medicare and Medicaid Services and the tribes as part of their contracts with Indian health care providers. The Minnesota Insurance Marketplace shall comply with all future changes in federal law with regard to health coverage for the tribes.

Subd. 6. **Appeals.** (a) The board may conduct hearings, appoint hearing officers, and recommend final orders related to appeals of any Minnesota Insurance Marketplace determinations, except for those determinations identified in paragraph (d). An appeal by a health carrier regarding a specific certification or selection determination made by the Minnesota Insurance Marketplace under subdivision 5 must be conducted as a contested case proceeding under chapter 14, with the report or order of the administrative law judge constituting the final decision in the case, subject to judicial review under sections 14.63 to 14.69. For other appeals, the board shall establish hearing processes which provide for a reasonable opportunity to be heard and timely resolution of the appeal and which are consistent with the requirements of federal law and guidance. An appealing party may be represented by legal counsel at these hearings, but this is not a requirement.

(b) The Minnesota Insurance Marketplace may establish service-level agreements with state agencies to conduct hearings for appeals. Notwithstanding section 471.59, subdivision 1, a state agency is authorized to enter into service-level agreements for this purpose with the Minnesota Insurance Marketplace.

(c) For proceedings under this subdivision, the Minnesota Insurance Marketplace may be represented by an attorney who is an employee of the Minnesota Insurance Marketplace.

(d) This subdivision does not apply to appeals of determinations where a state agency hearing is available under section 256.045.

Subd. 7. **Agreements; consultation.** (a) The board shall:

(1) establish and maintain an agreement with the chief information officer of the Office of Enterprise Technology for information technology services that ensures coordination with public health care programs. The board may establish and maintain agreements with the chief information officer of the Office of Enterprise Technology for other information technology services, including an agreement that would permit the Minnesota Insurance Marketplace to administer eligibility for additional health care and public assistance programs under the authority of the commissioner of human services;

(2) establish and maintain an agreement with the commissioner of human services for cost allocation and services regarding eligibility determinations and enrollment for public health care programs that use a modified adjusted gross income standard to determine program eligibility. The board may establish and maintain an agreement with the commissioner of human services for other services;

(3) establish and maintain an agreement with the commissioners of commerce and health for services regarding enforcement of Minnesota Insurance Marketplace certification requirements for health plans and dental plans offered through the Minnesota Insurance Marketplace. The board may establish and maintain agreements with the commissioners of commerce and health for other services; and

(4) establish interagency agreements to transfer funds to other state agencies for their costs related to implementing and operating the Minnesota Insurance Marketplace, excluding medical assistance allocatable costs.

(b) The board shall consult with the commissioners of commerce and health regarding the operations of the Minnesota Insurance Marketplace.

(c) The board shall consult with Indian tribes and organizations regarding the operation of the Minnesota Insurance Marketplace.

(d) Beginning March 15, 2014, and each March 15 thereafter, the board shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and human services on all the agreements entered into with the chief information officer of

the Office of Enterprise Technology, or the commissioners of human services, health, or commerce in accordance with this subdivision. The report shall include the agency in which the agreement is with; the time period of the agreement; the purpose of the agreement; and a summary of the terms of the agreement. A copy of the agreement must be submitted to the extent practicable.

Subd. 8. **Rulemaking.** (a) If the board's policies, procedures, or other statements are rules, as defined in section 14.02, subdivision 4, the requirements in either paragraph (b) or (c) apply, as applicable.

(b) Effective upon enactment until January 1, 2015:

(1) the board shall publish notice of proposed rules in the State Register after complying with section 14.07, subdivision 2;

(2) interested parties have 21 days to comment on the proposed rules. The board must consider comments it receives. After the board has considered all comments and has complied with section 14.07, subdivision 2, the board shall publish notice of the final rule in the State Register;

(3) if the adopted rules are the same as the proposed rules, the notice shall state that the rules have been adopted as proposed and shall cite the prior publication. If the adopted rules differ from the proposed rules, the portions of the adopted rules that differ from the proposed rules shall be included in the notice of adoption, together with a citation to the prior State Register that contained the notice of the proposed rules; and

(4) rules published in the State Register before January 1, 2014, take effect upon publication of the notice. Rules published in the State Register on and after January 1, 2014, take effect 30 days after publication of the notice.

(c) Beginning January 1, 2015, the board may adopt rules to implement any provisions in this chapter using the expedited rulemaking process in section 14.389.

(d) The notice of proposed rules required in paragraph (b) must provide information as to where the public may obtain a copy of the rules. The board shall post the proposed rules on the Minnesota Insurance Marketplace Web site at the same time the notice is published in the State Register.

Subd. 9. **Dental plans.** (a) The provisions of this section that apply to health plans shall apply to dental plans offered as stand-alone dental plans through the Minnesota Insurance Marketplace, to the extent practicable.

(b) A stand-alone dental plan offered through the Minnesota Insurance Marketplace must meet all certification requirements under section 1311(c)(1) of the Affordable Care Act, Public Law 111-148, that are applicable to health plans, except for certification requirements that cannot be met because the dental plan only covers dental benefits.

Subd. 10. **Limitations; risk-bearing.** (a) The board shall not bear insurance risk or enter into any agreement with health care providers to pay claims.

(b) Nothing in this subdivision shall prevent the Minnesota Insurance Marketplace from providing insurance for its employees.

Sec. 8. **[62V.06] DATA PRACTICES.**

Subdivision 1. **Applicability.** The Minnesota Insurance Marketplace is a state agency for purposes of the Minnesota Government Data Practices Act and is subject to all provisions of chapter 13, in addition to the requirements contained in this section.

Subd. 2. **Definitions.** As used in this section:

(1) "individual" means an individual according to section 13.02, subdivision 8, but does not include a vendor of services; and

(2) "participating" means that an individual, employee, or employer is seeking, or has sought an eligibility determination, enrollment processing, or premium processing through the Minnesota Insurance Marketplace.

Subd. 3. **General data classifications.** The following data collected, created, or maintained by the Minnesota Insurance Marketplace are classified as private data on individuals, as defined in section 13.02, subdivision 12, or nonpublic data, as defined in section 13.02, subdivision 9:

(1) data on any individual participating in the Minnesota Insurance Marketplace;

(2) data on any individuals participating in the Minnesota Insurance Marketplace as employees of an employer participating in the Minnesota Insurance Marketplace; and

(3) data on employers participating in the Minnesota Insurance Marketplace.

Subd. 4. **Application and certification data.** (a) Data submitted by an insurance producer in an application for certification to sell a health plan through the Minnesota Insurance Marketplace, or submitted by an applicant seeking permission or a commission to act as a navigator or in-person assister, are classified as follows:

(1) at the time the application is submitted, all data contained in the application are private data, as defined in section 13.02, subdivision 12, or nonpublic data as defined in section 13.02, subdivision 9, except that the name of the applicant is public; and

(2) upon a final determination related to the application for certification by the Minnesota Insurance Marketplace, all data contained in the application are public, with the exception of trade secret data as defined in section 13.37.

(b) Data created or maintained by a government entity as part of the evaluation of an application are protected nonpublic data, as defined in section 13.02, subdivision 13, until a final determination as to certification is made and all rights of appeal have been exhausted. Upon a final determination and exhaustion of all rights of appeal, these data are public, with the exception of trade secret data as defined in section 13.37 and data subject to attorney-client privilege or other protection as provided in section 13.393.

(c) If an application is denied, the public data must include the criteria used by the board to evaluate the application and the specific reasons for the denial, and these data must be published on the Minnesota Insurance Marketplace Web site.

Subd. 5. **Data sharing.** (a) The Minnesota Insurance Marketplace may share or disseminate data classified as private or nonpublic in subdivision 3 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to an individual, employer, or employee participating in the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(b) The Minnesota Insurance Marketplace may share or disseminate data classified as private or nonpublic in subdivision 4 as follows:

(1) to the subject of the data, as provided in section 13.04;

(2) according to a court order;

(3) according to a state or federal law specifically authorizing access to the data;

(4) with other state or federal agencies, only to the extent necessary to carry out the functions of the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter into a data-sharing agreement with the agency prior to sharing data under this clause; and

(5) with a nongovernmental person or entity, only to the extent necessary to carry out the functions of the Minnesota Insurance Marketplace, provided that the Minnesota Insurance Marketplace must enter a contract with the person or entity, as provided in section 13.05, subdivision 6 or 11, prior to disseminating data under this clause.

(c) Sharing or disseminating data outside of the exchange in a manner not authorized by this subdivision is prohibited. The list of authorized dissemination and sharing contained in this subdivision must be included in the Tennesen warning required by section 13.04, subdivision 2.

(d) Until July 1, 2014, state agencies must share data classified as private or nonpublic on individuals, employees, or employers participating in the Minnesota Insurance Marketplace with the Minnesota Insurance Marketplace, only to the extent such data are necessary to verify the identity of, determine the eligibility of, process premiums for, process enrollment of, or investigate fraud related to a Minnesota Insurance Marketplace participant. The agency must enter into a data-sharing agreement with the Minnesota Insurance Marketplace prior to sharing any data under this paragraph.

Subd. 6. Notice and disclosures. (a) In addition to the Tennesen warning required by section 13.04, subdivision 2, the Minnesota Insurance Marketplace must provide any data subject asked to supply private data with:

(1) a notice of rights related to the handling of genetic information, pursuant to section 13.386; and

(2) a notice of the records retention policy of the Minnesota Insurance Marketplace, detailing the length of time the Minnesota Insurance Marketplace will retain data on the individual and the manner in which it will be destroyed upon expiration of that time.

(b) All notices required by this subdivision, including the Tennesen warning, must be provided in an electronic format suitable for downloading or printing.

Subd. 7. Summary data. In addition to creation and disclosure of summary data derived from private data on individuals, as permitted by section 13.05, subdivision 7, the Minnesota Insurance Marketplace may create and disclose summary data derived from data classified as nonpublic under this section.

Subd. 8. **Access to data; audit trail.** (a) Only individuals with explicit authorization from the board may enter, update, or access not public data collected, created, or maintained by the Minnesota Insurance Marketplace. The ability of authorized individuals to enter, update, or access data must be limited through the use of role-based access that corresponds to the official duties or training level of the individual, and the statutory authorization that grants access for that purpose. All queries and responses, and all actions in which data are entered, updated, accessed, or shared or disseminated outside of the Minnesota Insurance Marketplace, must be recorded in a data audit trail. Data contained in the audit trail are public, to the extent that the data are not otherwise classified by this section.

The board shall immediately and permanently revoke the authorization of any individual determined to have willfully entered, updated, accessed, shared, or disseminated data in violation of this section, or any provision of chapter 13. If an individual is determined to have willfully gained access to data without explicit authorization from the board, the board shall forward the matter to the county attorney for prosecution.

(b) This subdivision shall not limit or affect the authority of the legislative auditor to access data needed to conduct audits, evaluations, or investigations of the Minnesota Insurance Marketplace or the obligation of the board and Minnesota Insurance Marketplace employees to comply with section 3.978, subdivision 2.

(c) This subdivision does not apply to actions taken by a Minnesota Insurance Marketplace participant to enter, update, or access data held by the Minnesota Insurance Marketplace, if the participant is the subject of the data that is entered, updated, or accessed.

Subd. 9. **Sale of data prohibited.** The Minnesota Insurance Marketplace may not sell any data collected, created, or maintained by the Minnesota Insurance Marketplace, regardless of its classification, for commercial or any other purposes.

Subd. 10. **Gun and firearm ownership.** The Minnesota Insurance Marketplace shall not collect information that indicates whether or not an individual owns a gun or has a firearm in the individual's home.

Sec. 9. **[62V.07] FUNDS.**

(a) The Minnesota Insurance Marketplace account is created in the special revenue fund of the state treasury. All funds received by the Minnesota Insurance Marketplace shall be deposited in the account. Funds in the account are appropriated to the Minnesota Insurance Marketplace for the operation of the Minnesota Insurance Marketplace. Notwithstanding section 11A.20, all investment income and all investment losses attributable to the investment of the Minnesota Insurance Marketplace account not currently needed, shall be credited to the Minnesota Insurance Marketplace account.

(b) The budget submitted to the legislature under section 16A.11 must include budget information for the Minnesota Insurance Marketplace.

Sec. 10. **[62V.08] REPORTS.**

(a) The Minnesota Insurance Marketplace shall submit a report to the legislature by January 15, 2015, and each January 15 thereafter, on: (1) the performance of Minnesota Insurance Marketplace operations; (2) meeting the Minnesota Insurance Marketplace responsibilities; (3) an accounting of the Minnesota Insurance Marketplace budget activities; (4) practices and procedures that have been implemented to ensure compliance with data practices laws, and a description of any violations of data practices laws or procedures; and (5) the effectiveness of the outreach and implementation activities of the Minnesota Insurance Marketplace in reducing the rate of uninsurance.

(b) The Minnesota Insurance Marketplace must publish its administrative and operational costs on a Web site to educate consumers on those costs. The information published must include: (1) the amount of premiums and federal premium subsidies collected; (2) the amount and source of revenue received under section 62V.05.

subdivision 1, paragraph (b), clause (3); (3) the amount and source of any other fees collected for purposes of supporting operations; and (4) any misuse of funds as identified in accordance with section 3.975. The Web site must be updated at least annually.

Sec. 11. **[62V.09] EXPIRATION AND SUNSET EXCLUSION.**

Notwithstanding section 15.059, the board and its advisory committees shall not expire, except as specified in section 62V.04, subdivision 13. The board and its advisory committees are not subject to review or sunseting under chapter 3D.

Sec. 12. **[62V.10] RIGHT NOT TO PARTICIPATE.**

Nothing in this chapter infringes on the right of a Minnesota citizen not to participate in the Minnesota Insurance Marketplace.

Sec. 13. **[62V.11] LEGISLATIVE OVERSIGHT COMMITTEE.**

Subdivision 1. **Legislative oversight.** (a) The Legislative Oversight Committee is established to provide oversight to the implementation of this chapter and the operation of the Minnesota Insurance Marketplace.

(b) The committee shall review the operations of the Minnesota Insurance Marketplace at least annually and shall recommend necessary changes in policy, implementation, and statutes to the board and to the legislature.

(c) The Minnesota Insurance Marketplace shall present to the committee the annual report required in section 62V.08, the appeals process under section 62V.05, subdivision 6, and the actions taken regarding the treatment of multiemployer plans.

Subd. 2. **Membership; meetings; compensation.** (a) The Legislative Oversight Committee shall consist of five members of the senate, three members appointed by the majority leader of the senate, and two members appointed by the minority leader of the senate; and five members of the house of representatives, three members appointed by the speaker of the house, and two members appointed by the minority leader of the house of representatives.

(b) Appointed legislative members serve at the pleasure of the appointing authority and shall continue to serve until their successors are appointed.

(c) The first meeting of the committee shall be convened by the chair of the Legislative Coordinating Commission. Members shall elect a chair at the first meeting. The chair must convene at least one meeting annually, and may convene other meetings as deemed necessary.

Subd. 3. **Review of proposed rules.** (a) Prior to the implementation of rules proposed under section 62V.05, subdivision 8, paragraph (b), the board shall submit the proposed rules to the committee at the same time the proposed rules are published in the State Register.

(b) When the legislature is in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, the rule is approved in law, or the regular session of the legislature is adjourned for the year.

(c) If the legislature is not in session, the rule may be adopted, but, if within ten days of receipt of the proposed rule a majority of the committee members appointed by the senate and a majority of the committee members appointed by the house of representatives request further review of the proposed rule, the rule shall not be effective until the request has been satisfied and withdrawn, or February 1, whichever occurs first.

Subd. 4. **Review of costs.** The board shall submit for review the annual budget of the Minnesota Insurance Marketplace for the next fiscal year by March 15 of each year, beginning March 15, 2014.

Sec. 14. **TRANSITION OF AUTHORITY.**

(a) Upon the effective date of this act, the commissioner of management and budget shall exercise all authorities and responsibilities under Minnesota Statutes, sections 62V.03 and 62V.05 until the board has satisfied the requirements of Minnesota Statutes, section 62V.05, subdivision 1, paragraph (c). In exercising these authorities and responsibilities of the board, the commissioner of management and budget shall be subject to or exempted from the same statutory provisions as the board, as identified in Minnesota Statutes, section 62V.03, subdivision 2.

(b) Upon the establishment of bylaws, policies, and procedures governing the operations of the Minnesota Insurance Marketplace by the board as required under Minnesota Statutes, section 62V.05, subdivision 1, paragraph (c), all personnel, assets, contracts, obligations, and funds managed by the commissioner of management and budget for the design and development of the Minnesota Insurance Marketplace shall be transferred to the board. Existing personnel managed by the commissioner of management and budget for the design and development of the Minnesota Insurance Marketplace shall staff the board upon enactment.

Sec. 15. **MINNESOTA COMPREHENSIVE HEALTH ASSOCIATION TERMINATION.**

The commissioner of commerce, in consultation with the board of directors of the Minnesota Comprehensive Health Association, has the authority to develop and implement the phase-out and eventual appropriate termination of coverage provided by the Minnesota Comprehensive Health Association under Minnesota Statutes, chapter 62E. The phase-out of coverage shall begin no sooner than January 1, 2014, or upon the effective date of the operation of the Minnesota Insurance Marketplace and the ability to purchase qualified health plans through the Minnesota Insurance Marketplace, whichever is later, and shall, to the extent practicable, ensure the least amount of disruption to the enrollees' health care coverage. The member assessments established under Minnesota Statutes, section 62E.11, shall take into consideration any phase-out of coverage implemented under this section.

Sec. 16. **REPORT ON APPEALS PROCESS.**

By February 1, 2014, and February 1, 2015, the board of directors of the Minnesota Insurance Marketplace shall submit a report to the chairs and ranking minority members of the committees in the senate and house of representatives with primary jurisdiction over commerce, health, and civil law on the appeals process for eligibility determinations established under Minnesota Statutes, section 62V.05, subdivision 6.

Sec. 17. **CONTINGENT TREATMENT OF MULTIEMPLOYER PLANS.**

On or after the date that final federal regulations are adopted regarding the treatment of multiemployer plans, the Minnesota Insurance Marketplace shall take such actions as are necessary, in consultation with the commissioner of commerce and in accordance with final federal regulations, to: (1) ensure that all multiemployer plans are notified of the final federal rules; (2) conform all policies and procedures of the Minnesota Insurance Marketplace with applicable federal rules related to multiemployer plans; and (3) permit multiemployer plans to be integrated in the Minnesota Insurance Marketplace to the maximum extent permitted by federal rules. The Minnesota Insurance Marketplace shall submit written notification to the legislature regarding its compliance with this section.

Sec. 18. **EFFECTIVE DATE.**

Sections 1 to 17 are effective the day following final enactment. The secretary of state must post notice of vacancies for positions on the board immediately after final enactment. Any actions taken by any state agencies in furtherance of the design, development, and implementation of the Minnesota Insurance Marketplace prior to the effective date shall be considered actions taken by the Minnesota Insurance Marketplace and shall be governed by the provisions of this chapter and state law. Health plan and dental plan coverage through the Minnesota Insurance Marketplace is effective January 1, 2014."

Delete the title and insert:

"A bill for an act relating to commerce; establishing the Minnesota Insurance Marketplace; prescribing its powers and duties; establishing the right not to participate; specifying data practices procedures; establishing a legislative oversight committee; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 13.7191, by adding a subdivision; 13D.08, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62V."

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

House Conferees: JOE ATKINS, THOMAS HUNTLEY, TINA LIEBLING and DAN SCHOEN.

Senate Conferees: TONY LOUREY, KATHY SHERAN, JEFF HAYDEN, BARB GOODWIN and JAMES P. METZEN.

Atkins moved that the report of the Conference Committee on H. F. No. 5 be adopted and that the bill be repassed as amended by the Conference Committee.

A roll call was requested and properly seconded.

The Speaker called Hortman to the Chair.

Abeler moved that the House refuse to adopt the report of the Conference Committee on H. F. No. 5 and that the bill be returned to the Conference Committee. The motion did not prevail.

MOTION FOR RECONSIDERATION

Garofalo moved that the vote whereby the Abeler motion to refuse to adopt the report of the Conference Committee on H. F. No. 5 and that the bill be returned to the Conference Committee did not prevail be now reconsidered.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

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

Abeler	Dettmer	Hausman	Lien	Newton	Simonson
Albright	Dill	Hertaus	Lillie	Nornes	Slocum
Allen	Dorholt	Hilstrom	Loeffler	Norton	Sundin
Anderson, M.	Drazkowski	Holberg	Lohmer	O'Driscoll	Swedzinski
Anderson, P.	Erhardt	Hoppe	Loon	O'Neill	Theis
Anderson, S.	Erickson, R.	Hornstein	Mack	Paymar	Torkelson
Anzelc	Erickson, S.	Hortman	Mahoney	Pelowski	Uglem
Atkins	Fabian	Howe	Mariani	Peppin	Urdahl
Barrett	Falk	Huntley	Marquart	Persell	Wagenius
Beard	Faust	Isaacson	Masin	Petersburg	Ward, J.A.
Benson, J.	Fischer	Johnson, B.	McDonald	Poppe	Ward, J.E.
Benson, M.	FitzSimmons	Johnson, C.	McNamar	Pugh	Wills
Bernardy	Franson	Johnson, S.	McNamara	Quam	Winkler
Bly	Freiberg	Kahn	Melin	Radinovich	Woodard
Brynaert	Fritz	Kelly	Metsa	Runbeck	Yarusso
Carlson	Garofalo	Kieffer	Moran	Sanders	Zellers
Clark	Green	Kiel	Morgan	Savick	Zerwas
Cornish	Gruenhagen	Kresha	Mullery	Sawatzky	Spk. Thissen
Daudt	Gunther	Laine	Murphy, E.	Schoen	
Davids	Hackbarth	Leidiger	Murphy, M.	Schomacker	
Davnie	Halverson	Lenczewski	Myhra	Scott	
Dean, M.	Hamilton	Lesch	Nelson	Selcer	
Dehn, R.	Hansen	Liebling	Newberger	Simon	

All members answered to the call and it was so ordered.

The Speaker resumed the Chair.

The question recurred on the Garofalo motion to reconsider and the roll was called. There were 65 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Abeler	Dean, M.	Gruenhagen	Kiel	Nornes	Swedzinski
Albright	Dettmer	Gunther	Kresha	O'Driscoll	Theis
Anderson, M.	Dill	Hackbarth	Leidiger	O'Neill	Torkelson
Anderson, P.	Drazkowski	Hamilton	Lohmer	Peppin	Uglem
Anderson, S.	Erickson, S.	Hertaus	Loon	Petersburg	Urdahl
Barrett	Fabian	Holberg	Mack	Pugh	Ward, J.E.
Beard	FitzSimmons	Hoppe	McDonald	Quam	Wills
Benson, M.	Franson	Howe	McNamara	Runbeck	Woodard
Cornish	Fritz	Johnson, B.	Murphy, M.	Sanders	Zellers
Daudt	Garofalo	Kelly	Myhra	Schomacker	Zerwas
Davids	Green	Kieffer	Newberger	Scott	

Those who voted in the negative were:

Allen	Benson, J.	Brynaert	Davnie	Erhardt	Faust
Anzelc	Bernardy	Carlson	Dehn, R.	Erickson, R.	Fischer
Atkins	Bly	Clark	Dorholt	Falk	Freiberg

Halverson	Johnson, S.	Mahoney	Mullery	Radinovich	Wagenius
Hansen	Kahn	Mariani	Murphy, E.	Savick	Ward, J.A.
Hausman	Laine	Marquart	Nelson	Sawatzky	Winkler
Hilstrom	Lenczewski	Masin	Newton	Schoen	Yarusso
Hornstein	Lesch	McNamar	Norton	Selcer	Spk. Thissen
Hortman	Liebling	Melin	Paymar	Simon	
Huntley	Lien	Metsa	Pelowski	Simonson	
Isaacson	Lillie	Moran	Persell	Slocum	
Johnson, C.	Loeffler	Morgan	Poppe	Sundin	

The motion did not prevail.

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

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

Murphy, E., moved that the House recess subject to the call of the Chair.

A roll call was requested and properly seconded.

The question was taken on the Murphy, E., motion and the roll was called.

Murphy, E., moved that those not voting be excused from voting. The motion prevailed.

There were 73 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hortman	Mahoney	Newton	Slocum
Anzelc	Erhardt	Huntley	Mariani	Norton	Sundin
Atkins	Erickson, R.	Isaacson	Marquart	Paymar	Wagenius
Benson, J.	Falk	Johnson, C.	Masin	Pelowski	Ward, J.A.
Bernardy	Faust	Johnson, S.	McNamar	Persell	Ward, J.E.
Bly	Fischer	Kahn	Melin	Poppe	Winkler
Brynaert	Freiberg	Laine	Metsa	Radinovich	Yarusso
Carlson	Fritz	Lenczewski	Moran	Savick	Spk. Thissen
Clark	Halverson	Lesch	Morgan	Sawatzky	
Daudt	Hansen	Liebling	Mullery	Schoen	
Davnie	Hausman	Lien	Murphy, E.	Selcer	
Dehn, R.	Hilstrom	Lillie	Murphy, M.	Simon	
Dill	Hornstein	Loeffler	Nelson	Simonson	

Those who voted in the negative were:

Abeler	Anderson, S.	Cornish	Fabian	Green	Hamilton
Albright	Barrett	Daids	FitzSimmons	Gruenhagen	Hertaus
Anderson, M.	Beard	Dettmer	Franson	Gunther	Holberg
Anderson, P.	Benson, M.	Erickson, S.	Garofalo	Hackbarth	Hoppe

Howe	Leidiger	Myhra	Petersburg	Scott	Wills
Johnson, B.	Lohmer	Newberger	Pugh	Swedzinski	Woodard
Kelly	Loon	Nornes	Quam	Theis	
Kieffer	Mack	O'Driscoll	Runbeck	Torkelson	
Kiel	McDonald	O'Neill	Sanders	Uglem	
Kresha	McNamara	Peppin	Schomacker	Urdahl	

The motion prevailed.

RECESS

RECONVENED

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

MOTIONS AND RESOLUTIONS, Continued

The question recurred on the Atkins motion that the report of the Conference Committee on H. F. No. 5 be adopted and that the bill be repassed as amended by the Conference Committee and the roll was called. There were 70 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Allen	Erhardt	Huntley	Mahoney	Nelson	Selcer
Anzelc	Erickson, R.	Isaacson	Mariani	Newton	Simon
Atkins	Falk	Johnson, C.	Marquart	Norton	Simonson
Benson, J.	Faust	Johnson, S.	Masin	Paymar	Slocum
Bernardy	Fischer	Kahn	McNamar	Pelowski	Sundin
Bly	Freiberg	Laine	Melin	Persell	Wagenius
Brynaert	Fritz	Lenczewski	Metsa	Poppe	Ward, J.A.
Carlson	Hansen	Lesch	Moran	Radinovich	Winkler
Clark	Hausman	Liebling	Morgan	Rosenthal	Yarusso
Davnie	Hilstrom	Lien	Mullery	Savick	Spk. Thissen
Dehn, R.	Hornstein	Lillie	Murphy, E.	Sawatzky	
Dorholt	Hortman	Loeffler	Murphy, M.	Schoen	

Those who voted in the negative were:

Abeler	Dean, M.	Hackbarth	Kresha	O'Neill	Torkelson
Albright	Dettmer	Halverson	Leidiger	Peppin	Uglem
Anderson, M.	Dill	Hamilton	Lohmer	Petersburg	Urdahl
Anderson, P.	Erickson, S.	Hertaus	Loon	Pugh	Ward, J.E.
Anderson, S.	Fabian	Holberg	Mack	Quam	Wills
Barrett	FitzSimmons	Hoppe	McDonald	Runbeck	Woodard
Beard	Franson	Howe	McNamara	Sanders	Zellers
Benson, M.	Garofalo	Johnson, B.	Myhra	Schomacker	Zerwas
Cornish	Green	Kelly	Newberger	Scott	
Daudt	Gruenhagen	Kieffer	Nornes	Swedzinski	
Davids	Gunther	Kiel	O'Driscoll	Theis	

The motion prevailed.

H. F. No. 5, A bill for an act relating to commerce; establishing the Minnesota Insurance Marketplace; prescribing its powers and duties; prohibiting abortion coverage with certain exemptions; recognizing the right to a person's physician of choice; establishing the right not to participate; specifying open meeting requirements and data practices procedures; appropriating money; amending Minnesota Statutes 2012, section 13.7191, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 62V.

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

The question was taken on the repassage of the bill and the roll was called. There were 72 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Allen	Dorholt	Hortman	Loeffler	Murphy, M.	Schoen
Anzelc	Erhardt	Huntley	Mahoney	Nelson	Selcer
Atkins	Erickson, R.	Isaacson	Mariani	Newton	Simon
Benson, J.	Falk	Johnson, C.	Marquart	Norton	Simonson
Bernardy	Faust	Johnson, S.	Masin	Paymar	Slocum
Bly	Fischer	Kahn	McNamar	Pelowski	Sundin
Brynaert	Freiberg	Laine	Melin	Persell	Wagenius
Carlson	Fritz	Lenczewski	Metsa	Poppe	Ward, J.A.
Clark	Hansen	Lesch	Moran	Radinovich	Ward, J.E.
Davnie	Hausman	Liebling	Morgan	Rosenthal	Winkler
Dehn, R.	Hilstrom	Lien	Mullery	Savick	Yarusso
Dill	Hornstein	Lillie	Murphy, E.	Sawatzky	Spk. Thissen

Those who voted in the negative were:

Abeler	Dean, M.	Halverson	Leidiger	Peppin	Uglen
Albright	Dettmer	Hamilton	Lohmer	Petersburg	Urdahl
Anderson, M.	Erickson, S.	Hertaus	Loon	Pugh	Wills
Anderson, P.	Fabian	Holberg	Mack	Quam	Woodard
Anderson, S.	FitzSimmons	Hoppe	McDonald	Runbeck	Zellers
Barrett	Franson	Howe	McNamara	Sanders	Zerwas
Beard	Garofalo	Johnson, B.	Myhra	Schomacker	
Benson, M.	Green	Kelly	Newberger	Scott	
Cornish	Gruenhagen	Kieffer	Nornes	Swedzinski	
Daudt	Gunther	Kiel	O'Driscoll	Theis	
Davids	Hackbarth	Kresha	O'Neill	Torkelson	

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

MOTIONS AND RESOLUTIONS, Continued

Abeler moved that his name be stricken as an author on H. F. No. 5. The motion prevailed.

McNamara moved that his name be stricken as an author on H. F. No. 207. The motion prevailed.

Melin moved that the name of Isaacson be added as an author on H. F. No. 567. The motion prevailed.

Newton moved that the name of Bernardy be added as an author on H. F. No. 671. The motion prevailed.

Halverson moved that the name of Johnson, C., be added as an author on H. F. No. 698. The motion prevailed.

Wills moved that the names of Kiel and Kresha be added as authors on H. F. No. 757. The motion prevailed.

Atkins moved that the name of Abeler be added as an author on H. F. No. 779. The motion prevailed.

Hortman moved that the name of Hamilton be added as an author on H. F. No. 797. The motion prevailed.

Clark moved that the name of Leidiger be added as an author on H. F. No. 850. The motion prevailed.

Liebling moved that the name of Moran be added as an author on H. F. No. 946. The motion prevailed.

Newton moved that the name of Bernardy be added as an author on H. F. No. 1103. The motion prevailed.

Huntley moved that the names of Lesch and Paymar be added as authors on H. F. No. 1117. The motion prevailed.

Poppe moved that the name of Howe be added as an author on H. F. No. 1178. The motion prevailed.

Dettmer moved that the name of Bernardy be added as an author on H. F. No. 1241. The motion prevailed.

Fritz moved that the name of Slocum be added as an author on H. F. No. 1295. The motion prevailed.

Loeffler moved that the name of Slocum be added as an author on H. F. No. 1322. The motion prevailed.

Laine moved that the name of Zellers be added as an author on H. F. No. 1328. The motion prevailed.

Atkins moved that the name of Abeler be added as an author on H. F. No. 1331. The motion prevailed.

Selcer moved that the name of Mariani be added as an author on H. F. No. 1384. The motion prevailed.

Selcer moved that the name of Mariani be added as an author on H. F. No. 1385. The motion prevailed.

Paymar moved that the name of Slocum be added as an author on H. F. No. 1400. The motion prevailed.

Abeler moved that the name of Lohmer be added as an author on H. F. No. 1404. The motion prevailed.

Clark moved that the name of Lillie be shown as chief author on H. F. No. 1452. The motion prevailed.

Clark moved that the name of Lillie be added as an author on H. F. No. 1453. The motion prevailed.

Dettmer moved that the name of Lohmer be added as an author on H. F. No. 1465. The motion prevailed.

Newton moved that the names of Kahn and Persell be added as authors on H. F. No. 1469. The motion prevailed.

Hansen moved that the names of Bly and Lillie be added as authors on H. F. No. 1482. The motion prevailed.

Nornes moved that the name of Gunther be added as an author on H. F. No. 1492. The motion prevailed.

Isaacson moved that the name of Bly be added as an author on H. F. No. 1500. The motion prevailed.

Runbeck moved that the names of Dettmer and Lohmer be added as authors on H. F. No. 1507. The motion prevailed.

Anderson, P., moved that the name of McNamar be added as an author on H. F. No. 1509. The motion prevailed.

Garofalo moved that the name of Lohmer be added as an author on H. F. No. 1524. The motion prevailed.

Dill moved that the name of Dettmer be added as an author on H. F. No. 1545. The motion prevailed.

Persell moved that the name of Anzalc be added as an author on H. F. No. 1553. The motion prevailed.

Sanders moved that H. F. No. 591, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

Kelly moved that H. F. No. 1000, now on the General Register, be re-referred to the Committee on Commerce and Consumer Protection Finance and Policy. The motion prevailed.

Kahn moved that H. F. No. 1291 be recalled from the Committee on Ways and Means and be re-referred to the Committee on State Government Finance and Veterans Affairs. The motion prevailed.

Dorholt moved that H. F. No. 1480 be recalled from the Committee on Transportation Policy and be re-referred to the Committee on Transportation Finance. The motion prevailed.

CALL OF THE HOUSE LIFTED

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

ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 3:00 p.m., Monday, March 18, 2013. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Monday, March 18, 2013.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

