

## STATE OF MINNESOTA

## EIGHTY-EIGHTH SESSION — 2013

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 TWENTY-NINTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 21, 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 Joel Wight Hoogheem, St. Philip's Lutheran Church, Fridley, 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	Dettmer	Hertaus	Lien	Newton	Selcer
Albright	Dill	Hilstrom	Lillie	Nornes	Simon
Allen	Dorholt	Holberg	Loeffler	Norton	Simonson
Anderson, P.	Drazkowski	Hoppe	Lohmer	O'Driscoll	Sundin
Anderson, S.	Erhardt	Hornstein	Loon	O'Neill	Swedzinski
Anzelc	Erickson, R.	Hortman	Mack	Paymar	Theis
Atkins	Erickson, S.	Howe	Mahoney	Pelowski	Torkelson
Barrett	Fabian	Huntley	Marquart	Peppin	Uglen
Beard	Falk	Isaacson	Masin	Persell	Urdahl
Benson, J.	Faust	Johnson, B.	McDonald	Petersburg	Wagenius
Benson, M.	Fischer	Johnson, C.	McNamar	Poppe	Ward, J.A.
Bernardy	FitzSimmons	Johnson, S.	McNamara	Pugh	Ward, J.E.
Bly	Franson	Kahn	Melin	Quam	Wills
Brynaert	Fritz	Kelly	Metsa	Radinovich	Winkler
Carlson	Garofalo	Kieffer	Moran	Rosenthal	Woodard
Clark	Green	Kiel	Morgan	Runbeck	Yarusso
Cornish	Gruenhagen	Kresha	Mullery	Sanders	Zellers
Daudt	Gunther	Laine	Murphy, E.	Savick	Zerwas
Davids	Halverson	Leidiger	Murphy, M.	Sawatzky	Spk.Thissen
Davnie	Hamilton	Lenczewski	Myhra	Schoen	
Dean, M.	Hansen	Lesch	Nelson	Schomacker	
Dehn, R.	Hausman	Liebling	Newberger	Scott	

A quorum was present.

Anderson, M.; Freiberg; Hackbarth; Mariani and Slocum were excused.

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

## PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 20, 2013

The Honorable Paul Thissen  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Thissen:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. No. 5.

Sincerely,

MARK DAYTON  
Governor

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

The Honorable Paul Thissen  
Speaker of the House of Representatives

The Honorable Sandra L. Pappas  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2013 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2013</i>	<i>Date Filed 2013</i>
	5	9	10:03 a.m. March 20	March 20

Sincerely,

MARK RITCHIE  
Secretary of State

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

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

H. F. No. 131, A bill for an act relating to commerce; requiring estate sale conductors to post a bond to protect owners of the property to be sold; proposing coding for new law in Minnesota Statutes, chapter 325E.

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

The report was adopted.

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

H. F. No. 183, A bill for an act relating to data practices; enhancing certain penalties and procedures related to unauthorized access to data by a public employee; amending Minnesota Statutes 2012, sections 13.05, subdivision 5; 13.055; 13.08, subdivision 1; 13.09.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 13.04, subdivision 3, is amended to read:

Subd. 3. **Access to data by individual.** (a) Upon request to a responsible authority or designee, an individual shall be informed whether the individual is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge and, if desired, shall be informed of the content and meaning of that data. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to that individual for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected or created. The responsible authority or designee shall provide copies of the private or public data upon request by the individual subject of the data. The responsible authority or designee may require the requesting person to pay the actual costs of making and certifying the copies.

(b) Notwithstanding section 13.15 or 13.43, or other law to the contrary, upon request, an individual has access to the name of persons who have obtained access to private data on the individual, unless the data would identify an undercover law enforcement officer or are active investigative data.

(c) The responsible authority or designee shall comply immediately, if possible, with any request made pursuant to this subdivision, or within ten days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible.

Sec. 2. Minnesota Statutes 2012, section 13.05, subdivision 5, is amended to read:

Subd. 5. **Data protection.** (a) The responsible authority shall:

(1) establish procedures to assure that all data on individuals is accurate, complete, and current for the purposes for which it was collected; ~~and~~

(2) establish appropriate security safeguards for all records containing data on individuals, including procedures for ensuring that data that are not public are only accessible to persons whose work assignment reasonably requires access to the data, and is only being accessed by those persons for purposes described in the procedure; and

(3) develop a policy incorporating these procedures, which may include a model policy governing access to the data if sharing of the data with other government entities is authorized by law.

(b) When not public data is being disposed of, the data must be destroyed in a way that prevents its contents from being determined.

Sec. 3. Minnesota Statutes 2012, section 13.055, is amended to read:

**13.055 STATE AGENCIES; DISCLOSURE OF BREACH IN SECURITY; NOTIFICATION AND INVESTIGATION REPORT REQUIRED.**

Subdivision 1. **Definitions.** For purposes of this section, the following terms have the meanings given to them.

(a) "Breach of the security of the data" means unauthorized acquisition of or access to data maintained by a ~~state agency~~ government entity that compromises the security and classification of the data. Good faith acquisition of or access to government data by an employee, contractor, or agent of a ~~state agency~~ government entity for the purposes of the ~~state agency~~ entity is not a breach of the security of the data, if the government data is not provided to or viewable by an unauthorized person, or accessed for a purpose not described in the procedures required by section 13.05, subdivision 5. For purposes of this paragraph, data maintained by a government entity includes data maintained by a person under a contract with the government entity that provides for the acquisition of or access to the data by an employee, contractor, or agent of the government entity.

(b) "Contact information" means either name and mailing address or name and e-mail address for each individual who is the subject of data maintained by the ~~state agency~~ government entity.

(c) "Unauthorized acquisition" means that a person has obtained or viewed government data without the informed consent of the individuals who are the subjects of the data or statutory authority and with the intent to use the data for nongovernmental purposes.

(d) "Unauthorized person" means any person who accesses government data ~~without permission or~~ without a work assignment that reasonably requires ~~the person to have access to the data, or regardless of the person's work assignment, for a purpose not described in the procedures required by section 13.05, subdivision 5.~~

Subd. 2. **Notice to individuals; investigation report.** (a) A ~~state agency~~ government entity that collects, creates, receives, maintains, or disseminates private or confidential data on individuals must disclose any breach of the security of the data following discovery or notification of the breach. Notification must be made to any individual who is the subject of the data and whose private or confidential data was, or is reasonably believed to have been, acquired by an unauthorized person and must inform the individual that a report will be prepared under paragraph (b), how the individual may obtain access to the report, and that the individual may request delivery of the report by mail or e-mail. The disclosure must be made in the most expedient time possible and without unreasonable delay, consistent with (1) the legitimate needs of a law enforcement agency as provided in subdivision 3; or (2) any measures necessary to determine the scope of the breach and restore the reasonable security of the data.

(b) Upon completion of an investigation into any breach in the security of data, including exhaustion of all rights of appeal under any applicable collective bargaining agreement or other law, the responsible authority shall prepare a report on the facts and results of the investigation. If the breach involves unauthorized access to or acquisition of data by an employee, contractor, or agent of the government entity, the report must at a minimum include:

- (1) a description of the data that were accessed or acquired; and
- (2) if disciplinary action was taken against an employee:
  - (i) the number of individuals whose data was improperly accessed or acquired;
  - (ii) the name of each employee determined responsible for the unauthorized access or acquisition; and
  - (iii) the final disposition of the disciplinary action taken against the employee in response.

The report must not include data that are not public under other law. The report is public and must be posted on the government entity's Web site, if the government entity maintains a Web site, and provided to an individual who received the notification under paragraph (a) and requested delivery of the report. If the government entity does not maintain a Web site, the report must be posted on the principal bulletin board of the government entity or, if the government entity does not have a principal bulletin board, on the door of its usual meeting room.

Subd. 3. **Delayed notice.** The notification required by this section may be delayed if a law enforcement agency determines that the notification will impede an active criminal investigation. The notification required by this section must be made after the law enforcement agency determines that it will not compromise the investigation.

Subd. 4. **Method of notice.** Notice under this section may be provided by one of the following methods:

- (a) written notice by first class mail to each affected individual;
- (b) electronic notice to each affected individual, if the notice provided is consistent with the provisions regarding electronic records and signatures as set forth in United States Code, title 15, section 7001; or
- (c) substitute notice, if the ~~state agency~~ government entity demonstrates that the cost of providing the written notice required by paragraph (a) would exceed \$250,000, or that the affected class of individuals to be notified exceeds 500,000, or the ~~state agency~~ government entity does not have sufficient contact information. Substitute notice consists of all of the following:
  - (i) e-mail notice if the ~~state agency~~ government entity has an e-mail address for the affected individuals;
  - (ii) conspicuous posting of the notice on the Web site page of the ~~state agency~~ government entity, if the ~~state agency~~ government entity maintains a Web site; and
  - (iii) notification to major media outlets that reach the general public within the government entity's jurisdiction.

Subd. 5. **Coordination with consumer reporting agencies.** If the ~~state agency~~ government entity discovers circumstances requiring notification under this section of more than 1,000 individuals at one time, the ~~state agency~~ government entity must also notify, without unreasonable delay, all consumer reporting agencies that compile and maintain files on consumers on a nationwide basis, as defined in United States Code, title 15, section 1681a, of the timing, distribution, and content of the notices.

Subd. 6. **Security assessments.** At least annually, each government entity shall conduct a comprehensive security assessment of any personal information maintained by the government entity. For the purposes of this subdivision, personal information is defined under section 325E.61, subdivision 1, paragraphs (e) and (f).

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to security breaches occurring on or after that date.

Sec. 4. Minnesota Statutes 2012, section 13.09, is amended to read:

**13.09 PENALTIES.**

(a) Any person who willfully violates the provisions of this chapter or any rules adopted under this chapter or whose conduct constitutes the knowing unauthorized acquisition of not public data, as defined in section 13.055, subdivision 1, is guilty of a misdemeanor.

(b) Willful violation of this chapter by, including any action subject to a criminal penalty under paragraph (a), by any public employee constitutes just cause for suspension without pay or dismissal of the public employee.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2012, section 299C.40, subdivision 4, is amended to read:

Subd. 4. **Data classification; general rule; changes in classification; audit trail.** (a) The classification of data in the law enforcement agency does not change after the data is submitted to CIBRS. If CIBRS is the only source of data made public by section 13.82, subdivisions 2, 3, 6, and 7, data described in those subdivisions must be downloaded and made available to the public as required by section 13.03.

(b) Data on individuals created, collected, received, maintained, or disseminated by CIBRS is classified as confidential data on individuals as defined in section 13.02, subdivision 3, and becomes private data on individuals as defined in section 13.02, subdivision 12, as provided by this section.

(c) Data not on individuals created, collected, received, maintained, or disseminated by CIBRS is classified as protected nonpublic data as defined in section 13.02, subdivision 13, and becomes nonpublic data as defined in section 13.02, subdivision 9, as provided by this section.

(d) Confidential or protected nonpublic data created, collected, received, maintained, or disseminated by CIBRS must automatically change classification from confidential data to private data or from protected nonpublic data to nonpublic data on the earlier of the following dates:

- (1) upon receipt by CIBRS of notice from a law enforcement agency that an investigation has become inactive; or
- (2) when the data has not been updated by the law enforcement agency that submitted it for a period of 120 days.

(e) For the purposes of this section, an investigation becomes inactive upon the occurrence of any of the events listed in section 13.82, subdivision 7, clauses (a) to (c).

(f) Ten days before making a data classification change because data has not been updated, CIBRS must notify the law enforcement agency that submitted the data that a classification change will be made on the 120th day. The notification must inform the law enforcement agency that the data will retain its classification as confidential or protected nonpublic data if the law enforcement agency updates the data or notifies CIBRS that the investigation is still active before the 120th day. A new 120-day period begins if the data is updated or if a law enforcement agency notifies CIBRS that an active investigation is continuing.

(g) A law enforcement agency that submits data to CIBRS must notify CIBRS if an investigation has become inactive so that the data is classified as private data or nonpublic data. The law enforcement agency must provide this notice to CIBRS within ten days after an investigation becomes inactive.

(h) All queries and responses and all actions in which data is submitted to CIBRS, changes classification, or is disseminated by CIBRS to any law enforcement agency must be recorded in the CIBRS audit trail.

(i) Notwithstanding paragraphs (b) and (c), the name of each law enforcement agency that submits data to CIBRS, and a general description of the types of data submitted by the agency, are public."

Correct the title numbers accordingly

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. 214, A bill for an act relating to human services; establishing MinnesotaCare as the state's basic health program; amending Minnesota Statutes 2012, sections 16A.724, subdivision 3; 256.962, subdivisions 1, 2, by adding a subdivision; 256L.01, by adding subdivisions; 256L.02, subdivision 2, by adding subdivisions; 256L.03, subdivisions 1, 6, by adding subdivisions; 256L.04, subdivision 7b, by adding subdivisions; 256L.05, subdivisions 1, 2, 3, 3a, 3c, by adding a subdivision; 256L.09, subdivision 2; 256L.11, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256L; repealing Minnesota Statutes 2012, sections 256L.01, subdivisions 3, 3a, 4a, 5; 256L.02, subdivision 3; 256L.03, subdivisions 1a, 3, 4, 5; 256L.031; 256L.04, subdivisions 1, 1b, 2a, 7, 7a, 8, 9, 13; 256L.05, subdivisions 1b, 1c, 5; 256L.06, subdivision 3; 256L.07, subdivisions 1, 2, 3, 4, 5, 8, 9; 256L.09, subdivisions 1, 4, 5, 6, 7; 256L.11, subdivisions 2a, 3, 6; 256L.12; 256L.15, subdivisions 1, 1a, 1b, 2; 256L.17, subdivisions 1, 2, 3, 4, 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 16A.724, subdivision 3, is amended to read:

Subd. 3. **MinnesotaCare federal receipts.** Receipts received as a result of federal participation pertaining to administrative costs of the Minnesota health care reform waiver shall be deposited as nondedicated revenue in the health care access fund. Receipts received as a result of federal participation pertaining to grants shall be deposited in the federal fund and shall offset health care access funds for payments to providers. All federal funding received by Minnesota for implementation and administration of MinnesotaCare as a basic health program, as authorized in section 1331 of the Affordable Care Act (Public Law 111-148, as amended by Public Law 111-152), is dedicated to that program and shall be deposited into the health care access fund. Federal funding that is received for implementing and administering MinnesotaCare as a basic health program and deposited in the fund shall be used only for that program to purchase health care coverage for enrollees and reduce enrollee premiums and cost-sharing or provide additional enrollee benefits.

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

Sec. 2. Minnesota Statutes 2012, section 256B.0755, subdivision 3, is amended to read:

Subd. 3. **Accountability.** (a) Health care delivery systems must accept responsibility for the quality of care based on standards established under subdivision 1, paragraph (b), clause (10), and the cost of care or utilization of services provided to its enrollees under subdivision 1, paragraph (b), clause (1).

(b) A health care delivery system may contract and coordinate with providers and clinics for the delivery of services and shall contract with community health clinics, federally qualified health centers, community mental health centers or programs, county agencies, and rural clinics to the extent practicable.

(c) A health care delivery system must demonstrate how its services will be coordinated with other services affecting its attributed patients' health, quality of care, and cost of care that are provided by other providers and county agencies in the local service. The health care delivery system must document how other providers and counties, including county-based purchasing plans, will provide services to persons attributed to the health care delivery system participated in developing the application and provide verification that other providers and counties, including county-based purchasing plans, support the project and are willing to participate. A health care delivery system must document how it will address applicable local needs, priorities, and public health goals.

**EFFECTIVE DATE.** This section applies to health care delivery system contracts entered into or renewed on or after July 1, 2013.

Sec. 3. Minnesota Statutes 2012, section 256B.694, is amended to read:

**256B.694 SOLE-SOURCE OR SINGLE-PLAN MANAGED CARE CONTRACT.**

(a) MS 2010 [Expired, 2008 c 364 s 10]

(b) The commissioner shall consider, and may approve, contracting on a single-health plan basis with ~~other~~ county-based purchasing plans, or with other qualified health plans that have coordination arrangements with counties, to serve persons ~~with a disability who voluntarily enroll~~ enrolled in state health care programs, in order to promote better coordination or integration of health care services, social services and other community-based services, provided that all requirements applicable to health plan purchasing, including those in section 256B.69, subdivision 23, are satisfied. ~~Nothing in this paragraph supersedes or modifies the requirements in paragraph (a).~~

Sec. 4. Minnesota Statutes 2012, section 256.01, is amended by adding a subdivision to read:

**Subd. 35. Federal approval.** (a) The commissioner shall seek federal authority from the U.S. Department of Health and Human Services necessary to operate a health insurance program for Minnesotans with incomes up to 275 percent of the federal poverty guidelines (FPG). The proposal shall seek to secure all federal funding available from at least the following sources:

(1) all premium tax credits and cost-sharing subsidies available under United States Code, title 26, section 36B, and United States Code, title 42, section 18071, for individuals with incomes above 133 percent and at or below 275 percent of the federal poverty guidelines who would otherwise be enrolled in the Minnesota Insurance Marketplace as defined in Minnesota Statutes, section 62V.02;

(2) Medicaid funding; and

(3) other funding sources identified by the commissioner that support coverage or care redesign in Minnesota.

(b) Funding received shall be used to design and implement a health insurance program that creates a single streamlined program and meets the needs of Minnesotans with incomes up to 275 percent of the federal poverty guidelines. The program must incorporate:

(1) payment reform characteristics included in the health care delivery system and accountable care organization payment models;

(2) flexibility in benefit set design such that benefits can be targeted to meet enrollee needs in different income and health status situations and can provide a more seamless transition from public to private health care coverage;

(3) flexibility in co-payment or premium structures to incent patients to seek high-quality, low-cost care settings; and

(4) flexibility in premium structures to ease the transition from public to private health care coverage.

(c) The commissioner shall develop and submit a proposal consistent with the above criteria and shall seek all federal authority necessary to implement the coverage program. In developing the request, the commissioner shall consult with appropriate stakeholder groups and consumers.

(d) The commissioner is authorized to seek any available waivers or federal approvals to accomplish the goals under paragraph (b) prior to 2017.

(e) The commissioner shall report progress on implementing this section to the chairs and ranking minority members of the legislative committees with jurisdiction over health and human services policy and finance by December 1, 2014.

(f) The commissioner is authorized to accept and expend federal funds that support the purposes of this section.

Sec. 5. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 1b. **Affordable Care Act.** "Affordable Care Act" means Public Law 111-148, as amended by the federal Health Care and Education Reconciliation Act of 2010 (Public Law 111-152), and any amendments to, or regulations or guidance issued under, those acts.

Sec. 6. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 4b. **Minnesota Insurance Marketplace.** "Minnesota Insurance Marketplace" means the Minnesota Insurance Marketplace as defined in Minnesota Statutes, section 62V.02.

Sec. 7. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 6. **MinnesotaCare.** "MinnesotaCare" means a health coverage program that meets the standards of this chapter and the requirements for a basic health program under section 1331 of the Affordable Care Act.

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

Sec. 8. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 7. **Modified adjusted gross income and household income.** "Modified adjusted gross income" and "household income" have the meanings provided in section 2002 of the Affordable Care Act.

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

Sec. 9. Minnesota Statutes 2012, section 256L.01, is amended by adding a subdivision to read:

Subd. 8. **Participating entity.** "Participating entity" means a health plan company as defined in section 62Q.01, subdivision 4; a county-based purchasing plan established under section 256B.692; an accountable care organization or other entity operating a health care delivery systems demonstration project authorized under section 256B.0755; an entity operating a county integrated health care delivery network pilot project authorized under section 256B.0756; or a network of health care providers established to offer services under MinnesotaCare.

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

Sec. 10. Minnesota Statutes 2012, section 256L.02, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** The commissioner shall establish an office for the state administration of this plan. The plan shall be used to provide covered health services for eligible persons. Payment for these services shall be made to all ~~eligible providers~~ participating entities under contract with the commissioner. The commissioner shall adopt rules to administer the MinnesotaCare program as a basic health program in accordance with section 1331 of the Affordable Care Act and this chapter and shall adopt any necessary rules. Nothing in this chapter is intended to violate the requirements of the Affordable Care Act. The commissioner shall not implement any provision of this chapter if the provision is found to violate the Affordable Care Act. The commissioner shall establish marketing efforts to encourage potentially eligible persons to receive information about the program and about other medical care programs administered or supervised by the Department of Human Services. A toll-free telephone number must be used to provide information about medical programs and to promote access to the covered services.

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

Sec. 11. Minnesota Statutes 2012, section 256L.02, is amended by adding a subdivision to read:

Subd. 5. **Determination of funding adequacy.** The commissioners of revenue and management and budget, in consultation with the commissioner of human services, shall conduct an assessment of health care taxes, including the gross premiums tax, the provider tax, and Medicaid surcharges, and their relationship to the long-term solvency of the health care access fund, as part of the state revenue and expenditure forecast in November 2013. The commissioners shall determine the amount of state funding that will be required after December 31, 2019, in addition to the federal payments made available under section 1331 of the Affordable Care Act, for the MinnesotaCare program. The commissioners shall evaluate the stability and likelihood of long-term federal funding for the MinnesotaCare program under section 1331. The commissioners shall report the results of this assessment to the legislature by January 15, 2014, along with recommendations for changes to state revenue for the health care access fund, if state funding will continue to be required beyond December 31, 2019.

Sec. 12. Minnesota Statutes 2012, section 256L.02, is amended by adding a subdivision to read:

Subd. 6. **Federal approval.** (a) The commissioner of human services shall seek federal approval to implement the MinnesotaCare program under this chapter as a basic health program. In any agreement with the Centers for Medicare and Medicaid Services to operate MinnesotaCare as a basic health program, the commissioner shall seek to include procedures to ensure that federal funding is predictable, stable, and sufficient to sustain ongoing operation of MinnesotaCare. These procedures must address issues related to the timing of federal payments, payment reconciliation, enrollee risk adjustment, and minimization of state financial risk. The commissioner shall consult with the commissioner of management and budget, when developing the proposal for establishing MinnesotaCare as a basic health program to be submitted to the Centers for Medicare and Medicaid Services.

(b) The commissioner of human services, in consultation with the commissioner of management and budget, shall work with the Centers for Medicare and Medicaid Services to establish a process for reconciliation and adjustment of federal payments that balances state and federal liability over time. The commissioner of human services shall request that the secretary of health and human services hold the state, and enrollees, harmless in the reconciliation process for the first three years, to allow the state to develop a statistically valid methodology for predicting enrollment trends and their net effect on federal payments.

(c) The commissioner of human services, through December 31, 2015, may modify the MinnesotaCare program as specified in this chapter, if it is necessary to enhance health benefits, expand provider access, or reduce cost-sharing and premiums in order to comply with the terms and conditions of federal approval as a basic health program. The commissioner may not reduce benefits, impose greater limits on access to providers, or increase cost-

sharing and premiums by enrollees under the authority granted by this paragraph. If the commissioner modifies the terms and requirements for MinnesotaCare under this paragraph, the commissioner shall provide the legislature with notice of implementation of the modifications at least ten working days before notifying enrollees and participating entities. The costs of any changes to the program necessary to comply with federal approval shall become part of the program's base funding for purposes of future budget forecasts.

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

Sec. 13. Minnesota Statutes 2012, section 256L.02, is amended by adding a subdivision to read:

Subd. 7. **Coordination with Minnesota Insurance Marketplace.** MinnesotaCare shall be considered a public health care program for purposes of Minnesota Statutes, chapter 62V.

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

Sec. 14. Minnesota Statutes 2012, section 256L.03, subdivision 1, is amended to read:

Subdivision 1. **Covered health services.** ~~(a)~~ "Covered health services" means the health services reimbursed under chapter 256B, and all essential health benefits required under section 1302 of the Affordable Care Act, with the exception of inpatient hospital services, special education services, private duty nursing services, adult dental care services other than services covered under section 256B.0625, subdivision 9, orthodontic services, nonemergency medical transportation services, personal care assistance and case management services, nursing home or intermediate care facilities services, inpatient mental health services, and chemical dependency services nursing facility services and intermediate care facility for persons with developmental disabilities (ICF/DD) services, and except as provided in this section.

~~(b)~~ No public funds shall be used for coverage of abortion under MinnesotaCare except where the life of the female would be endangered or substantial and irreversible impairment of a major bodily function would result if the fetus were carried to term; or where the pregnancy is the result of rape or incest.

~~(c) Covered health services shall be expanded as provided in this section.~~

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

Sec. 15. Minnesota Statutes 2012, section 256L.03, subdivision 3, is amended to read:

Subd. 3. **Inpatient hospital services.** (a) Covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services with eligibility under the medical assistance spenddown. ~~The inpatient hospital benefit for adult enrollees who qualify under section 256L.04, subdivision 7, or who qualify under section 256L.04, subdivisions 1 and 2, with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant, is subject to an annual limit of \$10,000.~~

(b) Admissions for inpatient hospital services paid for under section 256L.11, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256L.11, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

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

Sec. 16. Minnesota Statutes 2012, section 256L.03, is amended by adding a subdivision to read:

Subd. 4a. **Cost-sharing.** (a) Except as provided in paragraph (b), the MinnesotaCare program shall include the following cost-sharing requirements for all enrollees:

(1) \$3 per brand-name prescription and \$1 per generic drug prescription, subject to a \$12 per month maximum for prescription drug co-payments. No co-payments shall apply to antipsychotic drugs when used for treatment of mental illness;

(2) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist; and

(3) \$3.50 for nonemergency visits to a hospital-based emergency room, except that this co-payment shall be increased to \$20 upon federal approval.

(b) Paragraph (a), clause (2), does not apply to mental health services.

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

Sec. 17. Minnesota Statutes 2012, section 256L.03, is amended by adding a subdivision to read:

Subd. 4b. **Loss ratio.** Health coverage provided through the MinnesotaCare program must have a medical loss ratio of at least 85 percent, as defined using the loss ratio methodology described in section 1001 of the Affordable Care Act.

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

Sec. 18. Minnesota Statutes 2012, section 256L.03, subdivision 5, is amended to read:

Subd. 5. **Cost-sharing.** (a) Except as provided in ~~paragraphs~~ paragraph (b) and (c), the MinnesotaCare benefit plan shall include the following cost-sharing requirements for all enrollees:

~~(1) ten percent of the paid charges for inpatient hospital services for adult enrollees, subject to an annual inpatient out of pocket maximum of \$1,000 per individual;~~

~~(2)~~ (1) \$3 per prescription for adult enrollees;

~~(3)~~ (2) \$25 for eyeglasses for adult enrollees;

(4) (3) \$3 per nonpreventive visit. For purposes of this subdivision, a "visit" means an episode of service which is required because of a recipient's symptoms, diagnosis, or established illness, and which is delivered in an ambulatory setting by a physician or physician ancillary, chiropractor, podiatrist, nurse midwife, advanced practice nurse, audiologist, optician, or optometrist;

~~(5)~~ (4) \$6 for nonemergency visits to a hospital-based emergency room for services provided through December 31, 2010, and \$3.50 effective January 1, 2011; and

~~(6)~~ (5) a family deductible equal to the maximum amount allowed under Code of Federal Regulations, title 42, part 447.54.

~~(b)~~ Paragraph (a), clause (1), does not apply to parents and relative caretakers of children under the age of 21.

~~(e)~~ (b) Paragraph (a) does not apply to pregnant women and children under the age of 21.

~~(d)~~ (c) Paragraph (a), clause ~~(4)~~ (3), does not apply to mental health services.

~~(e)~~ Adult enrollees with family gross income that exceeds 200 percent of the federal poverty guidelines or 215 percent of the federal poverty guidelines on or after July 1, 2009, and who are not pregnant shall be financially responsible for the coinsurance amount, if applicable, and amounts which exceed the \$10,000 inpatient hospital benefit limit.

~~(f)~~ When a MinnesotaCare enrollee becomes a member of a prepaid health plan, or changes from one prepaid health plan to another during a calendar year, any charges submitted towards the \$10,000 annual inpatient benefit limit, and any out-of-pocket expenses incurred by the enrollee for inpatient services, that were submitted or incurred prior to enrollment, or prior to the change in health plans, shall be disregarded.

~~(g)~~ (d) MinnesotaCare reimbursements to fee-for-service providers and payments to managed care plans or county-based purchasing plans shall not be increased as a result of the reduction of the co-payments in paragraph (a), clause ~~(5)~~ (4), effective January 1, 2011.

~~(h)~~ (e) The commissioner, through the contracting process under section 256L.12, may allow managed care plans and county-based purchasing plans to waive the family deductible under paragraph (a), clause ~~(6)~~ (5). The value of the family deductible shall not be included in the capitation payment to managed care plans and county-based purchasing plans. Managed care plans and county-based purchasing plans shall certify annually to the commissioner the dollar value of the family deductible.

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

Sec. 19. Minnesota Statutes 2012, section 256L.03, subdivision 6, is amended to read:

Subd. 6. **Lien.** When the state agency provides, pays for, or becomes liable for covered health services, the agency shall have a lien for the cost of the covered health services upon any and all causes of action accruing to the enrollee, or to the enrollee's legal representatives, as a result of the occurrence that necessitated the payment for the covered health services. All liens under this section shall be subject to the provisions of section 256.015. For purposes of this subdivision, "state agency" includes prepaid health plans participating entities, under contract with the commissioner according to sections 256B.69, 256D.03, subdivision 4, paragraph (c), and 256L.12; and county-based purchasing entities under section 256B.692 section 256L.121.

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

Sec. 20. Minnesota Statutes 2012, section 256L.04, is amended by adding a subdivision to read:

Subd. 1c. **General requirements.** To be eligible for coverage under MinnesotaCare, a person must meet the eligibility requirements of this section. A person eligible for MinnesotaCare shall not be treated as a qualified individual under section 1312 of the Affordable Care Act, and is not eligible for enrollment in a qualified health plan offered through the health benefit exchange under section 1331 of the Affordable Care Act.

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

Sec. 21. Minnesota Statutes 2012, section 256L.04, is amended by adding a subdivision to read:

Subd. 1d. **Eligible groups; income limits.** (a) To be eligible under MinnesotaCare, a person must:

(1) be a resident of Minnesota;

(2) not be eligible under medical assistance;

(3) have a household income that is greater than 133 percent but does not exceed 200 percent of the federal poverty guidelines for family size, except that a noncitizen lawfully present in the United States, who is not eligible for the Medicaid program under title XIX of the Social Security Act due to immigration status, may have a household income that is less than or equal to 133 percent of the federal poverty guidelines for family size;

(4) not be eligible for minimum essential coverage, as defined in section 5000A(f) of the Internal Revenue Code of 1986, except that a person may be eligible for an employer-sponsored plan that is not affordable coverage, as defined in section 5000A(e)(2) of the Internal Revenue Code of 1986; and

(5) not have attained the age of 65 as of the beginning of the plan year.

(b) The commissioner shall calculate income eligibility under MinnesotaCare using modified adjusted gross income and shall apply a standard five percent income disregard, as provided under section 2012 of the Affordable Care Act.

**EFFECTIVE DATE.** Paragraph (a) of this section is effective January 1, 2015. Paragraph (b) of this section is effective January 1, 2014.

Sec. 22. Minnesota Statutes 2012, section 256L.05, subdivision 1, is amended to read:

Subdivision 1. **Application assistance and information availability.** (a) Applicants may submit applications online, in person, by mail, or by phone in accordance with the Affordable Care Act, and by any other means by which medical assistance applications may be submitted. Applicants may submit applications through the Minnesota Insurance Marketplace or through the MinnesotaCare program. Applications and application assistance must be made available at provider offices, local human services agencies, school districts, public and private elementary schools in which 25 percent or more of the students receive free or reduced price lunches, community health offices, Women, Infants and Children (WIC) program sites, Head Start program sites, public housing councils, crisis nurseries, child care centers, early childhood education and preschool program sites, legal aid offices, and libraries, and at any other locations at which medical assistance applications must be made available. These sites may accept applications and forward the forms to the commissioner or local county human services agencies that choose to participate as an enrollment site. Otherwise, applicants may apply directly to the commissioner or to participating local county human services agencies.

(b) Application assistance must be available for applicants choosing to file an online application through the Minnesota Insurance Marketplace.

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

Sec. 23. Minnesota Statutes 2012, section 256L.05, is amended by adding a subdivision to read:

Subd. 1d. **Streamlined application and enrollment process.** The commissioner shall work with the board of the Minnesota Insurance Marketplace and local human services agencies to develop a single, streamlined application and automatic enrollment process that meets the requirements of the Affordable Care Act, including but not limited to being structured to maximize an applicant's ability to complete the form satisfactorily, taking into account the

characteristics of individuals who qualify for MinnesotaCare and medical assistance. Each application shall give an applicant the option, to the extent feasible, of specifying their current primary care clinic or physician as their primary care provider for purposes of continuity of care.

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

Sec. 24. Minnesota Statutes 2012, section 256L.05, subdivision 2, is amended to read:

Subd. 2. **Commissioner's duties.** The commissioner or county agency shall use electronic verification through the Minnesota Insurance Marketplace as the primary method of income verification. If there is a discrepancy between reported income and electronically verified income, an individual may be required to submit additional verification to the extent permitted under the Affordable Care Act. In addition, the commissioner shall perform random audits to verify reported income and eligibility. The commissioner may execute data sharing arrangements with the Department of Revenue and any other governmental agency in order to perform income verification related to eligibility and premium payment under the MinnesotaCare program.

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

Sec. 25. Minnesota Statutes 2012, section 256L.05, subdivision 3, is amended to read:

Subd. 3. **Effective date of coverage.** (a) ~~The effective date of coverage is the first day of the month following the month in which eligibility is approved and the first premium payment has been received. As provided in section 256B.057, coverage for newborns is automatic from the date of birth and must be coordinated with other health coverage. The effective date of coverage for eligible newly adoptive children added to a family receiving covered health services is the month of placement. The effective date of coverage for other new members added to the family is the first day of the month following the month in which the change is reported. All eligibility criteria must be met by the family at the time the new family member is added. The income of the new family member is included with the family's gross income and the adjusted premium begins in the month the new family member is added.~~

~~(b) The initial premium must be received by the last working day of the month for coverage to begin the first day of the following month.~~

~~(c) Benefits are not available until the day following discharge if an enrollee is hospitalized on the first day of coverage.~~

~~(d)~~ (b) Notwithstanding any other law to the contrary, benefits under sections 256L.01 to 256L.18 are secondary to a plan of insurance or benefit program under which an eligible person may have coverage and the commissioner shall use cost avoidance techniques to ensure coordination of any other health coverage for eligible persons. The commissioner shall identify eligible persons who may have coverage or benefits under other plans of insurance or who become eligible for medical assistance.

~~(e) The effective date of coverage for individuals or families who are exempt from paying premiums under section 256L.15, subdivision 1, paragraph (d), is the first day of the month following the month in which verification of American Indian status is received or eligibility is approved, whichever is later.~~

~~(f)~~ (c) The effective date of coverage for children eligible under section 256L.07, subdivision 8, is the first day of the month following the date of termination from foster care or release from a juvenile residential correctional facility.

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

Sec. 26. Minnesota Statutes 2012, section 256L.05, subdivision 3a, is amended to read:

Subd. 3a. **Renewal of eligibility.** (a) Beginning July 1, 2007, an enrollee's eligibility must be renewed every 12 months. The 12-month period begins in the month after the month the application is approved.

(b) Each new period of eligibility must take into account any changes in circumstances that impact eligibility ~~and premium amount~~. An enrollee must provide all the information needed to redetermine eligibility by the first day of the month that ends the eligibility period. ~~The premium for the new period of eligibility must be received as provided in section 256L.06 in order for eligibility to continue.~~

(c) For children enrolled in MinnesotaCare under section 256L.07, subdivision 8, the first period of renewal begins the month the enrollee turns 21 years of age.

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

Sec. 27. Minnesota Statutes 2012, section 256L.05, subdivision 3c, is amended to read:

Subd. 3c. **Retroactive coverage.** Notwithstanding subdivision 3, the effective date of coverage shall be the first day of the month following termination from medical assistance for families and individuals who are eligible for MinnesotaCare and who submitted a written request for retroactive MinnesotaCare coverage with a completed application within 30 days of the mailing of notification of termination from medical assistance. The applicant must provide all required verifications within 30 days of the written request for verification. ~~For retroactive coverage, premiums must be paid in full for any retroactive month, current month, and next month within 30 days of the premium billing. General assistance medical care recipients may qualify for retroactive coverage under this subdivision at six month renewal.~~

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

Sec. 28. Minnesota Statutes 2012, section 256L.07, subdivision 1, is amended to read:

Subdivision 1. **General requirements.** (a) ~~Children enrolled in the original children's health plan as of September 30, 1992, children who enrolled in the MinnesotaCare program after September 30, 1992, pursuant to Laws 1992, chapter 549, article 4, section 17, and children who have family gross incomes that are equal to or less than 200 percent of the federal poverty guidelines are eligible without meeting the requirements of subdivision 2 and the four month requirement in subdivision 3, as long as they maintain continuous coverage in the MinnesotaCare program or medical assistance.~~

Parents enrolled in MinnesotaCare under section 256L.04, subdivision 1, whose income increases above 275 percent of the federal poverty guidelines, are no longer eligible for the program and shall be disenrolled by the commissioner. Beginning January 1, 2008, individuals enrolled in MinnesotaCare under section 256L.04, subdivision 7, whose income increases above 200 percent of the federal poverty guidelines or 250 percent of the federal poverty guidelines on or after July 1, 2009, are no longer eligible for the program and shall be disenrolled by the commissioner. For persons disenrolled under this subdivision, MinnesotaCare coverage terminates the last day of the calendar month following the month in which the commissioner determines that the income of a family or individual exceeds program income limits.

(b) Children may remain enrolled in MinnesotaCare if their gross family income as defined in section 256L.01, subdivision 4, is greater than 275 percent of federal poverty guidelines. The premium for children remaining eligible under this paragraph shall be the maximum premium determined under section 256L.15, subdivision 2, paragraph (b).

(c) Notwithstanding paragraph (a), parents are not eligible for MinnesotaCare if gross household income exceeds \$57,500 for the 12-month period of eligibility.

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

Sec. 29. Minnesota Statutes 2012, section 256L.09, subdivision 2, is amended to read:

Subd. 2. **Residency requirement.** To be eligible for health coverage under the MinnesotaCare program, ~~pregnant women, individuals, and families with children must meet the residency requirements~~ individuals must be a resident of the state as provided by Code of Federal Regulations, title 42, section 435.403, except that the provisions of section 256B.056, subdivision 1, shall apply upon receipt of federal approval section 1331 of the Affordable Care Act.

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

Sec. 30. Minnesota Statutes 2012, section 256L.11, subdivision 1, is amended to read:

Subdivision 1. **Medical assistance rate to be used.** ~~(a) Payment to providers under sections 256L.01 to 256L.14 this chapter shall be at the same rates and conditions established for medical assistance, except as provided in subdivisions 2 to 6 this section.~~

~~(b) Effective for services provided on or after July 1, 2009, total payments for basic care services shall be reduced by three percent, in accordance with section 256B.766. Payments made to managed care and county based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.~~

~~(c) Effective for services provided on or after July 1, 2009, payment rates for physician and professional services shall be reduced as described under section 256B.76, subdivision 1, paragraph (c). Payments made to managed care and county based purchasing plans shall be reduced for services provided on or after October 1, 2009, to reflect this reduction.~~

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

Sec. 31. Minnesota Statutes 2012, section 256L.11, is amended by adding a subdivision to read:

Subd. 1a. **Rate increases.** Effective for services provided on or after January 1, 2015, the commissioner of human services shall increase payments for basic care services, physician and professional services, and dental services by ... percent from the rates in effect for the MinnesotaCare program on December 31, 2014. Payments to participating entities established through the competitive process under section 256L.121 must reflect this increase.

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

Sec. 32. **[256L.121] SERVICE DELIVERY.**

Subdivision 1. **Competitive process.** The commissioner of human services shall establish a competitive process for entering into contracts with participating entities for the offering of standard health plans through MinnesotaCare. Coverage through standard health plans must be available to enrollees beginning January 1, 2015. Each standard health plan must cover the health services listed in and meet the requirements of section 256L.03. The competitive process must meet the requirements of section 1331 of the Affordable Care Act and be designed to ensure enrollee access to high-quality health care coverage options. The commissioner, to the extent feasible, shall seek to ensure that enrollees have a choice of coverage from more than one participating entity within a geographic area. In rural areas other than metropolitan statistical areas, the commissioner shall use the medical assistance competitive procurement process under section 256B.69, subdivisions 1 to 32, under which selection of entities is based on criteria related to provider network access, coordination of health care with other local services, alignment with local public health goals, and other factors.

**Subd. 2. Other requirements for participating entities.** The commissioner shall require participating entities, as a condition of contract, to document to the commissioner:

(1) the provision of culturally and linguistically appropriate services, including marketing materials, to MinnesotaCare enrollees; and

(2) the inclusion in provider networks of providers designated as essential community providers under section 62Q.19.

**Subd. 3. Coordination with state-administered health programs.** The commissioner shall coordinate the administration of the MinnesotaCare program with medical assistance to maximize efficiency and improve the continuity of care. This includes, but is not limited to:

(1) establishing geographic areas for MinnesotaCare that are consistent with the geographic areas of the medical assistance program, within which participating entities may offer health plans;

(2) requiring, as a condition of participation in MinnesotaCare, participating entities to also participate in the medical assistance program;

(3) complying with sections 256B.69, subdivision 3a; 256B.692, subdivision 1; and 256B.694, when contracting with MinnesotaCare participating entities;

(4) providing MinnesotaCare enrollees, to the extent possible, with the option to remain in the same health plan and provider network, if they later become eligible for medical assistance or coverage through the Minnesota health benefit exchange; and

(5) establishing requirements and criteria for selection that ensure that covered health care services will be coordinated with local public health, social services, long-term care services, mental health services, and other local services affecting enrollees' health, access, and quality of care.

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

Sec. 33. **PLAN FOR CONSOLIDATION OF PUBLIC PROGRAMS.**

The commissioner of human services shall develop and present to the legislature by January 15, 2014, a plan for a consolidated and streamlined state health care program that combines the current medical assistance and MinnesotaCare programs, uses a standard and simplified application process through the Minnesota Insurance Marketplace, and provides seamless delivery and coordination of care between state health care programs and health coverage available through the Minnesota Insurance Marketplace.

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

Sec. 34. **REVISOR'S INSTRUCTION.**

The revisor shall remove cross-references to the sections repealed in this act wherever they appear in Minnesota Statutes and Minnesota Rules and make changes necessary to correct the punctuation, grammar, or structure of the remaining text and preserve its meaning.

Sec. 35. **REPEALER.**

(a) Minnesota Statutes 2012, sections 256L.01, subdivisions 4a and 5; 256L.031; and 256L.07, subdivisions 2 and 3, are repealed, effective July 1, 2014.

(b) Minnesota Statutes 2012, sections 256L.01, subdivisions 3 and 3a; 256L.02, subdivision 3; 256L.03, subdivisions 1a, 3, 4, and 5; 256L.04, subdivisions 1, 1b, 2a, 7, 7a, 8, 9, and 13; 256L.05, subdivisions 1b, 1c, and 5; 256L.06, subdivision 3; 256L.07, subdivisions 1, 4, 5, 8, and 9; 256L.09, subdivisions 1, 4, 5, 6, and 7; 256L.11, subdivisions 2a, 3, and 6; 256L.12; 256L.15, subdivisions 1, 1a, 1b, and 2; and 256L.17, subdivisions 1, 2, 3, 4, and 5, are repealed effective January 1, 2015."

Correct the title numbers accordingly

With the recommendation that when so amended 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. 252, A bill for an act relating to family law; adoption; modifying certain child placement proceedings; amending Minnesota Statutes 2012, section 260.771, subdivision 3.

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

The report was adopted.

Simon from the Committee on Elections to which was referred:

H. F. No. 276, A joint resolution requesting that Congress propose a constitutional amendment and, if Congress does not propose an amendment, applying to Congress to call a constitutional convention to propose an amendment clarifying that the rights protected under the Constitution are the rights of natural persons and not the rights of artificial entities and that spending money to influence elections is not speech under the First Amendment.

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.

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

H. F. No. 283, A bill for an act relating to evidence; limiting availability of certain evidence arising from a collaborative law process; amending Minnesota Statutes 2012, section 595.02, subdivision 1.

Reported the same back with the following amendments:

Page 4, line 24, after "agreement" insert "or a stipulated agreement resulting from the collaborative law process"

With the recommendation that when so amended the bill pass.

The report was adopted.

Hornstein from the Committee on Transportation Finance to which was referred:

H. F. No. 316, A bill for an act relating to transportation; motor vehicles; amending fees for certain motor vehicle titling transactions; amending Minnesota Statutes 2012, section 168A.29, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. **Amounts.** (a) The department must be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of:

(i) until December 31, 2016, \$6.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account; and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account; and

(ii) on and after January 1, 2017, \$8.25 of which \$4.15 must be paid into the vehicle services operating account;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2, except that no fee is due for a security interest filed by a public authority under section 168A.05, subdivision 8;

(3) until December 31, 2016, for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$5.50 of which \$2.50 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account; and from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$7.25 of which \$3.25 must be paid into the vehicle services operating account of the special revenue fund under section 299A.705; until June 30, 2012, a surcharge of \$1.75 must be added to the fee and credited to the driver and vehicle services technology account; from July 1, 2012, to June 30, 2016, a surcharge of \$1 must be added to the fee and credited to the driver and vehicle services technology account.

(b) ~~After June 30, 1994,~~ In addition to ~~each of the fees~~ the fee required under paragraph (a), ~~clauses clause (1) and (3),~~ the department must be paid \$3.50. The additional \$3.50 fee collected under this paragraph must be deposited in the special revenue fund and credited to the public safety motor vehicle account established in section 299A.70."

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.

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

H. F. No. 338, A bill for an act relating to eminent domain; making award of appraisal fees in utility takings the same as other takings; modifying the "buy the farm" provisions; amending Minnesota Statutes 2012, sections 117.189; 216E.12, subdivision 4.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 14, delete "a fee" and insert "an"

Page 2, line 15, delete "fee" in both places

Page 3, after line 9, insert:

"Sec. 2. **[216E.121] PROPERTY RIGHTS OMBUDSMAN.**

The Department of Agriculture shall provide a property rights ombudsman to assist landowners who may be affected by a proposed high-voltage transmission line of 100 kilovolts or more, or ancillary substations, or a natural gas, petroleum, or petroleum products pipeline, or ancillary compressor stations or pump stations that require a certificate of need under chapter 216B or a site or route permit under chapter 216E. The ombudsman shall provide impartial information to landowners or others facing a potential right-of-way acquisition from a project described in this section, including, but not limited to:

(1) the steps and procedures an acquiring authority must comply with in seeking to obtain a right-of-way by negotiation or eminent domain;

(2) the timelines associated with various procedures under clause (1);

(3) options and rights of property owners and other persons faced with a right-of-way acquisition under the law, including rights for reimbursement of costs of appraisals and relocation costs; and

(4) how to find appraisers and attorneys specializing in right-of-way acquisition to assist landowners or others.

The department's cost of providing a property rights ombudsman shall be reimbursed on a prorated basis by the proposers whose projects generate inquiries to the property rights ombudsman.

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

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "to" and insert "real property; modifying certain eminent domain provisions with respect to electric power utilities; establishing a property rights ombudsman;"

Page 1, line 3, delete everything before "amending"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 404, A bill for an act relating to appropriations; appropriating money to study and develop recommendations for implementing a return on taxpayer investment methodology and practices for human services and corrections programs.

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.

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

H. F. No. 458, A bill for an act relating to public health; banning formaldehyde in certain children's products; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Page 1, line 8, delete "12" and insert "eight"

Page 1, line 9, after "a product" insert "primarily"

Page 1, line 12, delete "toy" and insert "children's toys that are covered by the ASTM International F963 standard for Toy Safety."

Page 1, delete lines 17 to 21 and insert:

"(a) Beginning August 1, 2014, no manufacturer or wholesaler may sell or offer for sale in this state a children's product that intentionally contains:

(1) formaldehyde, including formaldehyde contained in a solution; or

(2) ingredients that chemically degrade under normal conditions of temperature and pressure to release formaldehyde.

(b) Beginning August 1, 2015, no retailer may sell or offer for sale in this state a children's product that intentionally contains:

(1) formaldehyde, including formaldehyde contained in a solution; or

(2) ingredients that chemically degrade under normal conditions of temperature and pressure to release formaldehyde."

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. 459, A bill for an act relating to children's health; prohibiting sale of children's food containers containing bisphenol-A; proposing coding for new law in Minnesota Statutes, chapter 325F.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[325F.174] BISPHENOL-A IN CHILDREN'S FOOD CONTAINERS.**

Subdivision 1. **Prohibition.** (a) Beginning August 1, 2014, no manufacturer or wholesaler may knowingly sell or offer for sale in this state infant formula, baby food, or toddler food stored in a container that contains intentionally added bisphenol-A.

(b) Beginning August 1, 2015, no retailer may knowingly sell or offer for sale in this state infant formula, baby food, or toddler food stored in a container that contains intentionally added bisphenol-A.

Subd. 2. **Definitions.** For purposes of this section, the following terms have the meanings given.

(a) "Baby food" means a prepared solid food consisting of a soft paste or an easily chewed food that is primarily intended for consumption by children two years of age or younger and is commercially available.

(b) "Container" means a receptacle, box, can, or jar, including a lid, that is in direct physical contact with a children's food.

(c) "Infant formula" means a liquid or powder that purports to be or is represented for special dietary use solely as a food for infants by reason of its simulation of human milk or its suitability as a complete or partial substitute for human milk.

(d) "Toddler food" means any food or beverage, other than baby food or infant formula, that is primarily intended for consumption by children under three years of age. For purposes of this section, toddler food in can containers is not included in this definition.

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

Sec. 2. **[325F.175] BISPHENOL-A REPLACEMENT CHEMICALS.**

Beginning August 1, 2014, a manufacturer shall not replace a chemical whose use is prohibited in section 325F.174 with a chemical identified on the basis of credible scientific evidence by a state, federal, or international agency as being known or suspected with a high degree of probability to:

(1) harm the normal development of a fetus or child or cause other developmental toxicity;

(2) cause cancer, genetic damage, or reproductive harm;

(3) disrupt the endocrine or hormone system; or

(4) damage the nervous system, immune system, or organs or cause other systemic toxicity.

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

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. 525, A bill for an act relating to military affairs; allowing active duty service members to take a peace officer reciprocity examination; amending Minnesota Statutes 2012, section 626.8517.

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. 543, A bill for an act relating to human services; modifying membership requirements for the Council on Disability; amending Minnesota Statutes 2012, section 256.482, subdivision 1.

Reported the same back with the recommendation that 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. 662, A bill for an act relating to health; modifying a provision in the health professional education loan forgiveness program; requiring radon education disclosure for residential real property; changing provisions for tuberculosis standards; changing adverse health events reporting requirements; modifying a poison control provision; providing liability coverage for certain volunteer medical personnel and permitting agreements to conduct criminal background studies; defining occupational therapy practitioners; changing provisions for occupational therapy; amending prescribing authority for legend drugs; amending Minnesota Statutes 2012, sections 144.1501, subdivision 4; 144.50, by adding a subdivision; 144.55, subdivision 3; 144.56, by adding a subdivision; 144.7065, subdivisions 2, 3, 4, 5, 6, 7, by adding a subdivision; 144A.04, by adding a subdivision; 144A.45, by adding a subdivision; 144A.752, by adding a subdivision; 144D.08; 145.93, subdivision 3; 145A.04, by adding a subdivision; 145A.06, subdivision 7; 148.6402, by adding a subdivision; 148.6440; 151.37, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 144; 145A; repealing Minnesota Statutes 2012, sections 144.1487; 144.1488, subdivisions 1, 3, 4; 144.1489; 144.1490; 144.1491.

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. 757, A bill for an act relating to natural resources; providing Minnesota Zoo certain wild animal exemptions; amending Minnesota Statutes 2012, section 85A.02, subdivision 10.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

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

H. F. No. 758, A bill for an act relating to workforce development; adding a representative from adult basic education programs to the Workforce Development Council; amending Minnesota Statutes 2012, section 116L.665, subdivision 2.

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

The report was adopted.

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

H. F. No. 770, A bill for an act relating to human services; creating an exception to the intermediate care facility for persons with developmental disabilities moratorium; allowing for a rate adjustment; amending Minnesota Statutes 2012, sections 252.291, by adding a subdivision; 256B.501, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 9, delete "Exception for" and after "facility" insert "project" and delete "Notwithstanding subdivision 1."

Page 1, line 11, delete everything after the period

Page 1, delete line 12

Page 1, line 16, delete "three beds" and insert "one bed"

Page 1, line 18, delete everything after the period

Page 1, line 19, delete everything before the period and insert "The operating payment rate shall be \$276.78 per bed, per day"

Amend the title as follows:

Page 1, line 2, delete "creating an exception to the" and insert "transferring a bed between" and delete "facility" and insert "facilities"

Page 1, line 3, delete "moratorium"

With the recommendation that when so amended 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. 829, A bill for an act relating to housing; landlord and tenant; imposing civil penalty for certain violations; amending certain provisions relating to tenants holding over; modifying certain time for appeal and notice of hearing; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2012, sections 504B.151, subdivision 1; 504B.285, subdivisions 1a, 1b; 504B.371, subdivision 2; 504B.385, subdivision 5; repealing Minnesota Statutes 2012, section 504B.285, subdivision 1c.

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

The report was adopted.

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

H. F. No. 841, A bill for an act relating to human services; modifying requirements for assessments; amending Minnesota Statutes 2012, section 256B.0911, subdivision 3a.

Reported the same back with the following amendments:

Page 4, lines 1 and 4, reinstate the stricken language and delete the new language

Page 4, line 6, strike "in a face-to-face visit"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 865, A bill for an act relating to environment; providing for product stewardship programs; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 115A.

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.

The report was adopted.

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

H. F. No. 878, A bill for an act relating to human services; modifying criteria for designation as a critical access dental provider; amending Minnesota Statutes 2012, section 256B.76, subdivision 4.

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. 946, A bill for an act relating to public safety; providing immunity for underage possession or consumption of alcohol for a person seeking assistance for self or another; amending Minnesota Statutes 2012, section 340A.503, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 340A.503, is amended by adding a subdivision to read:

Subd. 8. **Prosecution; immunity.** (a) A person is not subject to prosecution under subdivision 1, paragraph (a), clause (2), or subdivision 3, if the person contacts a 911 operator to report that the person or another person is in need of medical assistance for an immediate health or safety concern, provided that the person who initiates contact is the first person to make such a report, provides a name and contact information, remains on the scene until assistance arrives, and cooperates with the authorities at the scene.

(b) The person who receives medical assistance shall also be immune from prosecution under paragraph (a).

(c) Paragraph (a) also applies to one or two persons acting in concert with the person initiating contact provided that all the requirements of paragraph (a) are met."

Delete the title and insert:

"A bill for an act relating to public safety; providing immunity for underage possession or consumption of alcohol for a person contacting 911 to seek assistance for another; amending Minnesota Statutes 2012, section 340A.503, by adding a subdivision."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 947, A bill for an act relating to human services; distinguishing and clarifying law regarding civil commitment of sexually dangerous persons and persons with sexual psychopathic personalities from other civil commitments; amending Minnesota Statutes 2012, sections 253B.02, subdivisions 18a, 24; 253B.03, subdivision 1a; 253B.045, subdivision 1a; 253B.092, subdivision 1; 253B.17, subdivision 1; 253B.185; 253B.19, subdivision 2; proposing coding for new law as Minnesota Statutes, chapter 253D.

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

The report was adopted.

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

H. F. No. 975, A bill for an act relating to human services; modifying provisions related to fair hearings and internal audits; creating the Cultural and Ethnic Leadership Communities Council; removing obsolete language; making technical changes; amending Minnesota Statutes 2012, sections 245.4661, subdivisions 2, 6; 245.482, subdivision 5; 256.01, subdivision 2; 256.017, subdivision 1; 256.045, subdivisions 1, 3, 4, 5; 256.0451, subdivisions 5, 13, 22, 24; 256B.055, subdivision 12; 256B.056, subdivision 11; 256B.057, subdivision 3b; 256B.0595, subdivisions 1, 2, 4, 9; 256D.02, subdivision 12a; 256J.30, subdivisions 8, 9; 256J.37, subdivision 3a; 256J.395, subdivision 1; 256J.575, subdivision 3; 256J.626, subdivisions 6, 7; 256J.72, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 2012, sections 245.461, subdivision 3; 245.463, subdivisions 1, 3, 4; 256.01, subdivisions 2a, 13, 23a; 256B.0185; 256D.02, subdivision 4a; 256J.575, subdivision 4; 256J.74, subdivision 4; 256L.04, subdivision 9.

Reported the same back with the following amendments:

Page 11, delete subdivision 2 and insert:

"Subd. 2. **Members.** The council must consist of: (1) the chairs of the committees in the house of representatives and the senate with jurisdiction over human services; and (2) no fewer than 15 and no more than 25 members appointed by the commissioner of human services, in consultation with county, tribal, cultural, and ethnic communities; diverse program participants; and parent representatives from these communities.

Subd. 3. **Guidelines.** (a) The commissioner shall direct the development of guidelines defining the membership of the council; setting out definitions; and developing duties of the commissioner, the council, and council members regarding racial and ethnic disparities reduction. The guidelines must be developed in consultation with:

(1) the chairs of relevant committees; and

(2) county, tribal, and cultural communities and program participants from these communities.

(b) Members must be appointed to allow for representation of the following groups:

(1) racial and ethnic minority groups;

(2) tribal service providers;

(3) culturally and linguistically specific advocacy groups and service providers;

(4) human services program participants;

(5) public and private institutions;

(6) parents of human services program participants;

(7) members of the faith community;

(8) Department of Human Services employees; and

(9) any other group the commissioner deems appropriate to facilitate the goals and duties of the council.

Subd. 4. **First appointments and first meeting.** The commissioner shall appoint at least 15 members by September 15, 2013, and shall convene the first meeting of the council by November 15, 2013.

Subd. 5. **Chair.** The commissioner shall appoint a chair.

Subd. 6. **Terms for first appointees.** Seven of the first members shall serve until January 15, 2015. The remainder of the first members shall serve until January 15, 2016.

Subd. 7. **Terms.** Except for the first appointees, a term shall be for one year and appointees can be appointed to serve two terms. The commissioner shall make appointments to replace vacating members by January 15 every year.

Subd. 8. **Compensation.** Members of the council shall receive no compensation for their services."

Renumber the subdivisions in sequence

Page 13, line 11, delete "and"

Page 13, line 12, delete the period and insert "; and"

Page 13, after line 12, insert:

"(11) beginning November 15, 2014, and annually thereafter, prepare and submit a report to the chairs and ranking minority members of the committees in the house of representatives and senate with jurisdiction over human services that summarizes the activities of the council since the last report, identifies the major problems and issues confronting racial and ethnic groups in accessing human services, makes recommendations to address issues, and lists the specific objectives that the council seeks to attain during the next biennium."

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. 1016, A bill for an act relating to transportation; requiring designation of an individual to monitor compliance with underage drinking laws during transportation provided by a motor carrier of passengers or limousine service; proposing coding for new law in Minnesota Statutes, chapter 169.

Reported the same back with the recommendation that 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. 1030, A bill for an act relating to commerce; ending the transfer of money from the automobile theft prevention account to the general fund; restoring use of the fund to its original purpose; amending Minnesota Statutes 2012, sections 65B.84, subdivision 1; 168A.40, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 45.0135, subdivision 6, is amended to read:

Subd. 6. **Insurance fraud prevention account.** The insurance fraud prevention account is created in the state treasury. Money received from assessments under subdivision 7 and from the automobile theft prevention account in section 168A.40, subdivision 4 is deposited in the account. Money in this fund is appropriated to the commissioner of commerce for the purposes specified in this section and sections 60A.951 to 60A.956.

Sec. 2. Minnesota Statutes 2012, section 65B.84, subdivision 1, is amended to read:

Subdivision 1. **Program described; commissioner's duties; appropriation.** (a) The commissioner of commerce shall:

(1) develop and sponsor the implementation of statewide plans, programs, and strategies to combat automobile theft, improve the administration of the automobile theft laws, and provide a forum for identification of critical problems for those persons dealing with automobile theft;

(2) coordinate the development, adoption, and implementation of plans, programs, and strategies relating to interagency and intergovernmental cooperation with respect to automobile theft enforcement;

(3) annually audit the plans and programs that have been funded in whole or in part to evaluate the effectiveness of the plans and programs and withdraw funding should the commissioner determine that a plan or program is ineffective or is no longer in need of further financial support from the fund;

(4) develop a plan of operation including:

(i) an assessment of the scope of the problem of automobile theft, including areas of the state where the problem is greatest;

(ii) an analysis of various methods of combating the problem of automobile theft;

(iii) a plan for providing financial support to combat automobile theft;

(iv) a plan for eliminating car hijacking; ~~and~~

(v) an estimate of the funds required to implement the plan; ~~and~~

(5) distribute money, in consultation with the commissioner of public safety, pursuant to subdivision 3 from the automobile theft prevention special revenue account for automobile theft prevention activities, including:

(i) paying the administrative costs of the program;

(ii) providing financial support to the State Patrol and local law enforcement agencies for automobile theft enforcement teams;

(iii) providing financial support to state or local law enforcement agencies for programs designed to reduce the incidence of automobile theft and for improved equipment and techniques for responding to automobile thefts;

(iv) providing financial support to local prosecutors for programs designed to reduce the incidence of automobile theft;

(v) providing financial support to judicial agencies for programs designed to reduce the incidence of automobile theft;

(vi) providing financial support for neighborhood or community organizations or business organizations for programs designed to reduce the incidence of automobile theft and to educate people about the common methods of automobile theft, the models of automobiles most likely to be stolen, and the times and places automobile theft is most likely to occur; ~~and~~

(vii) providing financial support of \$100,000 annually for grants under section 611A.675, subdivision 1, clause (6), or reasonable uninsured need-based property damage reimbursement to victims of automobile theft; and

~~(vii)~~ (viii) providing financial support for automobile theft educational and training programs for state and local law enforcement officials, driver and vehicle services exam and inspections staff, and members of the judiciary.

(b) The commissioner may not spend in any fiscal year more than ten percent of the money in the fund for the program's administrative and operating costs. The commissioner is annually appropriated and must distribute the amount of the proceeds credited to the automobile theft prevention special revenue account each year, ~~less the transfer of \$1,300,000 each year to the general fund described in section 168A.40, subdivision 4.~~

Sec. 3. Minnesota Statutes 2012, section 168A.40, subdivision 4, is amended to read:

Subd. 4. **Automobile theft prevention account.** A special revenue account is created in the state treasury to be credited with the proceeds of the surcharge imposed under subdivision 3. ~~Of the revenue in the account, \$1,300,000 each year must be transferred to the general fund. Revenues in excess of \$1,300,000 each year may be used only for the automobile theft prevention program described in section 65B.84."~~

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety Finance and Policy.

The report was adopted.

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

H. F. No. 1058, A bill for an act relating to education finance; establishing an early learning scholarship program; expanding access to quality early learning and care; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 124D.

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.

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

H. F. No. 1060, A bill for an act relating to lawful gambling; modifying account, record keeping, and other regulatory provisions; modifying paddle wheel provisions; amending Minnesota Statutes 2012, sections 297E.06, subdivision 4; 349.12, subdivisions 28a, 28b, 29; 349.1635, subdivision 3; 349.165, subdivision 5; 349.19, subdivisions 2, 10; 349.211, subdivision 2b.

Reported the same back with the following amendments:

Page 2, delete sections 2 to 4

Page 5, delete section 9

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 3, delete "modifying paddle wheel provisions;"

Correct the title numbers accordingly

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. 1095, A bill for an act relating to public safety; motor vehicles; clarifying registration rules and periods; modifying rules pertaining to trip permits; modifying the design for veterans special plates; modifying record retention requirements; making changes to conform with federal requirements; authorizing background checks of certain department employees; clarifying language pertaining to senior identification cards; making technical corrections; amending Minnesota Statutes 2012, sections 168.017, subdivisions 2, 3; 168.053, subdivision 1; 168.123, subdivision 2; 168.183, subdivision 1; 168.187, subdivision 17; 168.27, subdivisions 10, 11, by adding a subdivision; 168A.153, subdivisions 1, 2; 171.01, subdivision 49b; 171.07, subdivisions 3a, 4; proposing coding for new law in Minnesota Statutes, chapter 171; repealing Minnesota Statutes 2012, section 168.094.

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

The report was adopted.

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

H. F. No. 1112, A bill for an act relating to business organizations; modifying certain duties and responsibilities of the secretary of state; amending Minnesota Statutes 2012, sections 5.002; 308B.215, subdivision 1; 321.0809; 321.0906; 321.1206; 323A.1102; 333.055, subdivision 2; 333.22, subdivision 2; 336.9-531; 336A.14.

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

The report was adopted.

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

H. F. No. 1115, A bill for an act relating to health; making changes to the Medical Practice Act; amending Minnesota Statutes 2012, sections 147.001; 147.01, subdivision 1; 147.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 147.

Reported the same back with the following amendments:

Page 2, line 27, after "Canada," insert "the National Board of Osteopathic Examiners."

Page 3, line 2, after the period, insert "The applicant taking the College of Osteopathic Medical Licensure Examination (COMLEX) must pass all three steps within six attempts."

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. 1196, A bill for an act relating to local government; authorizing publication of advertisements for competitive bids in a recognized industry trade journal; amending Minnesota Statutes 2012, sections 331A.01, by adding a subdivision; 429.041, subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 22, insert:

"Sec. 3. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall identify in Minnesota Statutes the sections that contain language requiring or authorizing a political subdivision to publish advertisements for bids in the official newspaper that are inconsistent with Minnesota Statutes, section 331A.03. The revisor shall provide a report to the chairs and ranking minority members of the senate and house of representatives legislative committees with primary jurisdiction over local governments listing the sections identified. The report shall be submitted by January 15, 2014."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "requiring a report;"

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. 1210, A bill for an act relating to health; modifying a social work licensure provision; amending Minnesota Statutes 2012, section 148E.0555, subdivision 2.

Reported the same back with the recommendation that 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. 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.

The report was adopted.

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

H. F. No. 1320, A bill for an act relating to mines; making technical, clarifying, and other policy changes to mine inspector provisions; amending Minnesota Statutes 2012, sections 180.01; 180.02; 180.03; 180.04; 180.05; 180.08; 180.10; 180.11; 180.12; 180.13; proposing coding for new law in Minnesota Statutes, chapter 180; repealing Minnesota Statutes 2012, sections 180.06; 180.09.

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

The report was adopted.

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

H. F. No. 1359, A bill for an act relating to workers' compensation; making various policy and housekeeping changes; amending Minnesota Statutes 2012, sections 176.102, subdivision 3a; 176.106, subdivision 1; 176.129, subdivision 13; 176.138; 176.183, subdivision 4; 176.245; 176.521.

Reported the same back with the following amendments:

Page 2, line 24, after "(b)" insert "Except as provided in paragraph (c)."

Page 2, after line 31, insert:

"(c) The special compensation fund shall reimburse an insolvent insurer for subsequent injury or supplemental benefits after a declaration of bankruptcy or order of liquidation or insolvency to an insolvent insurer who has filed for reimbursement from the special compensation fund before June 1, 2013. This includes reimbursement for any past, pending, or future claims that may arise out of the insolvent insurer's coverage."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Jobs and Economic Development Finance and Policy.

The report was adopted.

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

H. F. No. 1377, A bill for an act relating to real estate; requiring loss mitigation by mortgage lenders and servicers; prohibiting mortgage foreclosure dual tracking; amending Minnesota Statutes 2012, sections 580.02; 580.041, subdivisions 1b, 2a; 580.15; proposing coding for new law in Minnesota Statutes, chapters 580; 582.

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. 1382, A bill for an act relating to local government; authorizing municipalities to issue obligations without election for certain street improvements; amending Minnesota Statutes 2012, section 475.58, subdivision 3b.

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. 1389, A bill for an act relating to state government; adding the Office of Enterprise Technology (OET) to certain provisions and changing certain OET provisions; amending Minnesota Statutes 2012, sections 3D.14; 15.06, subdivision 1; 16E.04, subdivision 2; 16E.18, subdivision 8; 43A.08, subdivision 1a; repealing Minnesota Statutes 2012, section 15.06, subdivision 1a.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2012, section 3.30, subdivision 2, is amended to read:

Subd. 2. **Members; duties.** The majority leader of the senate or a designee, the chair of the senate Committee on Finance, and the chair of the senate Division of Finance responsible for overseeing the items being considered by the commission, the speaker of the house or a designee, the chair of the house of representatives Committee on Ways and Means, and the chair of the appropriate finance committee, or division of the house of representatives committee responsible for overseeing the items being considered by the commissioner, constitute the Legislative Advisory Commission. The division chair of the Finance Committee in the senate and the division chair of the appropriate finance committee or division in the house of representatives shall rotate according to the items being considered by the commission. If any of the members elect not to serve on the commission, the house of which they are members, if in session, shall select some other member for the vacancy. If the legislature is not in session, vacancies in the house of representatives membership of the commission shall be filled by the last speaker of the house or, if the speaker is not available, by the last chair of the house of representatives Rules Committee, and by the last senate Committee on Committees or other appointing authority designated by the senate rules in case of a senate vacancy. The commissioner of management and budget shall be secretary of the commission and keep a permanent record and minutes of its proceedings, which are public records. ~~The commissioner of management and budget shall transmit, under section 3.195, a report to the next legislature of all actions of the commission.~~ Members shall receive traveling and subsistence expenses incurred attending meetings of the commission. The commission shall meet from time to time upon the call of the governor or upon the call of the secretary at the request of two or more of its members. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item.

Sec. 2. Minnesota Statutes 2012, section 3.3005, subdivision 4, is amended to read:

Subd. 4. **Interim procedures; urgencies.** If federal money becomes available to the state for expenditure after the deadline in subdivision 2 or while the legislature is not in session, and the availability of money from that source or for that purpose or in that ~~fiscal year~~ biennium could not reasonably have been anticipated and included in the governor's budget request, and an urgency requires that all or part of the money be allotted before the legislature reconvenes or prior to the end of the 20-day period specified in subdivision 2, it may be allotted to a state agency after the requirements of subdivision 5 are met.

Sec. 3. Minnesota Statutes 2012, section 3.3005, is amended by adding a subdivision to read:

Subd. 7. **Approvals for both years of the biennium.** Approval of federal money by any of the methods in this section is for the full term of availability of federal funds, up to the end of the biennium during which the approval is made.

Sec. 4. Minnesota Statutes 2012, section 3.736, subdivision 7, is amended to read:

Subd. 7. **Payment.** A state agency, including an entity defined as part of the state in section 3.732, subdivision 1, clause (1), incurring a tort claim judgment or settlement obligation or whose employees acting within the scope of their employment incur the obligation shall seek approval to make payment ~~by submitting a written request to the commissioner of management and budget from the commissioner or director of that agency.~~ The request shall contain a description of the tort claim that causes the request, specify the amount of the obligation and be accompanied by copies of judgments, settlement agreements or other documentation relevant to the obligation for which the agency seeks payment. Upon receipt of the request and review of the claim, the commissioner ~~of management and budget or director~~ shall determine the proper appropriation from which to make payment. If there is enough money in an appropriation or combination of appropriations to the agency for its general operations and management to pay the claim without unduly hindering the operation of the agency, the commissioner ~~or director~~ shall direct that payment be made from that source. Claims relating to activities paid for by appropriations of dedicated receipts shall be paid from those appropriations if practicable. On determining that an agency has sufficient money in these appropriations to pay only part of a claim, the commissioner ~~of management and budget~~ shall pay the remainder of the claim from the money appropriated to the commissioner for the purpose. On determining that the agency does not have enough money to pay any part of the claim, the commissioner shall pay all of the claim from money appropriated to the commissioner for the purpose. Payment shall be made only upon receipt of a written release by the claimant in a form approved by the attorney general, or the person designated as the university attorney, as the case may be.

No attachment or execution shall issue against the state."

Page 1, after line 24, insert:

"Sec. 6. Minnesota Statutes 2012, section 4.07, subdivision 2, is amended to read:

Subd. 2. **State agency named to act instead.** The governor may designate a state agency or agencies to act for the governor in applying for, receiving, and accepting federal funds under the provisions of subdivision 1. ~~Such designation of a state department or agency shall be filed in the Office of the Secretary of State.~~

Sec. 7. Minnesota Statutes 2012, section 4A.01, subdivision 3, is amended to read:

Subd. 3. **Report.** The commissioner must submit a report to the governor and chairs and ranking minority members of the senate and house of representatives committees with jurisdiction on state government finance by January 15 of each year that provides economic, social, and environmental demographic information to assist public and elected officials with long-term management decisions. The report must identify and assess the information

important to understanding the state's two-, ten-, and 50-year outlook, ~~including the budget implications for those time periods.~~ The report must include the demographic forecast required by section 4A.02, paragraph (e), and information to assist with the preparation of the milestones report required by section 4A.11, and may include policy recommendations based upon the information and assessment provided.

Sec. 8. Minnesota Statutes 2012, section 4A.02, is amended to read:

**4A.02 STATE DEMOGRAPHER.**

(a) The commissioner shall appoint a state demographer. The demographer must be professionally competent in demography and must possess demonstrated ability based upon past performance.

(b) The demographer shall:

- (1) continuously gather and develop demographic data relevant to the state;
- (2) design and test methods of research and data collection;
- (3) periodically prepare population projections for the state and designated regions and periodically prepare projections for each county or other political subdivision of the state as necessary to carry out the purposes of this section;
- (4) review, comment on, and prepare analysis of population estimates and projections made by state agencies, political subdivisions, other states, federal agencies, or nongovernmental persons, institutions, or commissions;
- (5) serve as the state liaison with the United States Bureau of the Census, coordinate state and federal demographic activities to the fullest extent possible, and aid the legislature in preparing a census data plan and form for each decennial census;
- (6) compile an annual study of population estimates on the basis of county, regional, or other political or geographical subdivisions as necessary to carry out the purposes of this section and section 4A.03;
- (7) by January 1 of each year, issue a report to the legislature containing an analysis of the demographic implications of the annual population study and population projections;
- (8) prepare maps for all counties in the state, all municipalities with a population of 10,000 or more, and other municipalities as needed for census purposes, according to scale and detail recommended by the United States Bureau of the Census, with the maps of cities showing precinct boundaries;
- (9) prepare an estimate of population and of the number of households for each governmental subdivision for which the Metropolitan Council does not prepare an annual estimate, and convey the estimates to the governing body of each political subdivision by June 1 of each year;
- (10) direct, under section 414.01, subdivision 14, and certify population and household estimates of annexed or detached areas of municipalities or towns after being notified of the order or letter of approval by the chief administrative law judge of the State Office of Administrative Hearings;
- (11) prepare, for any purpose for which a population estimate is required by law or needed to implement a law, a population estimate of a municipality or town whose population is affected by action under section 379.02 or 414.01, subdivision 14; and

(12) prepare an estimate of average household size for each statutory or home rule charter city with a population of 2,500 or more by June 1 of each year.

(c) A governing body may challenge an estimate made under paragraph (b) by filing their specific objections in writing with the state demographer by June 24. If the challenge does not result in an acceptable estimate, the governing body may have a special census conducted by the United States Bureau of the Census. The political subdivision must notify the state demographer by July 1 of its intent to have the special census conducted. The political subdivision must bear all costs of the special census. Results of the special census must be received by the state demographer by the next April 15 to be used in that year's June 1 estimate to the political subdivision under paragraph (b).

(d) The state demographer shall certify the estimates of population and household size to the commissioner of revenue by July 15 each year, including any estimates still under objection.

~~(e) The state demographer shall release a demographic forecast in conjunction with the commissioner of management and budget and the November state economic forecast.~~

~~(f) The state demographer may contract for the development of data and research required under this chapter, including, but not limited to, population estimates and projections, the preparation of maps, and other estimates."~~

Page 2, line 8, delete "Enterprise Technology" and insert "MN.IT Services"

Page 2, after line 10, insert:

"Sec. 10. Minnesota Statutes 2012, section 15.76, subdivision 1, is amended to read:

Subdivision 1. **Program established.** The state agency value initiative (SAVI) program is established to encourage state agencies to identify cost-effective and efficiency measures in agency programs and operations that result in cost savings for the state. All state agencies, ~~including Minnesota State Colleges and Universities, not separately authorized to carry forward operating funds~~ may participate in this program.

Sec. 11. Minnesota Statutes 2012, section 15.76, subdivision 2, is amended to read:

Subd. 2. **Retained savings.** (a) In order to encourage innovation and creative cost savings by state employees, upon approval of the commissioner of management and budget, 50 percent of any appropriations for agency operations that remain unspent at the end of a biennium because of unanticipated innovation, efficiencies, or creative cost-savings may be carried forward and retained by the agency to fund specific agency proposals or projects. Agencies choosing to spend retained savings funds must ensure that project expenditures do not create future obligations beyond the amounts available from the retained savings. The retained savings must be used only to fund projects that directly support the performance of the agency's mission. This section does not restrict authority granted by other law to carry forward money for a different period or for different purposes.

(b) This section supersedes any contrary provision of section 16A.28.

Sec. 12. Minnesota Statutes 2012, section 15.76, subdivision 3, is amended to read:

Subd. 3. ~~**Special peer review panel; Review process.** (a) Each participating agency must organize a peer review panel that will determine which proposal or project receives funding from the SAVI program. The peer review panel must be comprised of department employees who are credited with cost savings initiatives and department managers. The ratio between managers and department employees must be balanced.~~

(b) An agency may spend money for a project ~~recommended for funding by the peer review panel~~ after:

(1) the agency has posted notice of spending for the proposed project on the agency Web site for at least 30 days; ~~and~~

(2) the commissioner of management and budget has approved spending money from the SAVI account for the project; ~~and~~

~~(c) Before approving a project, (3) the commissioner of management and budget must submit the request to~~ has notified the Legislative Advisory Commission for its review and recommendation comment. ~~Upon receiving a request from the commissioner, the Legislative Advisory Commission shall post notice of the request on a legislative Web site for at least 30 days. Failure of the commission to make a recommendation within this 30 day period is considered a negative recommendation. A recommendation of the commission must be made at a meeting of the commission unless a written recommendation is signed by all the members entitled to vote on the item.~~

Sec. 13. Minnesota Statutes 2012, section 16A.056, subdivision 7, is amended to read:

Subd. 7. **Retention of data.** The database required under this section must include ~~information beginning with fiscal year 2010 appropriations and must retain~~ data for at least ten years.

Sec. 14. Minnesota Statutes 2012, section 16A.095, is amended to read:

#### **16A.095 STATE BUDGET SYSTEM.**

Subdivision 1. **Rules and instructions.** The commissioner shall make rules and instructions for budget preparation. They must deal with classifying expenditures and with the content and submission of budget requests and appropriation performance measures for each budget activity.

Subd. 2. **Budget improvements.** The commissioner may choose executive agencies to test improvements in the budget system. The commissioner shall recommend required legislation to install improvements in the budget system for all ~~executive agencies~~ that submit budget information in the system. The budget system must classify expenditures by programs and budget activities and, to the greatest extent practicable, emphasize alternative approaches in program development and criteria to evaluate and measure performance.

Subd. 2a. **Mutual cooperation; due regard.** Executive agencies must cooperate with the commissioner in ~~making a~~ preparing the budget. The budget must meet the commissioner's requirements while giving due regard to the executive agencies' requirements.

Sec. 15. Minnesota Statutes 2012, section 16A.10, subdivision 1, is amended to read:

Subdivision 1. **Budget format.** In each even-numbered calendar year the commissioner shall prepare budget forms and instructions for all agencies, including guidelines for reporting agency performance measures, subject to the approval of the governor. The commissioner shall request and receive advisory recommendations from the chairs of the senate Finance Committee and house of representatives Ways and Means Committee before adopting a format for the biennial budget document. By June 15, the commissioner shall send the proposed budget forms to the appropriations and finance committees. The committees have until July 15 to give the commissioner their advisory recommendations on possible improvements. To facilitate this consultation, the commissioner shall establish a working group consisting of executive branch staff and designees of the chairs of the senate Finance and house of representatives Ways and Means Committees. The commissioner must involve this group in all stages of development of budget forms and instructions. The budget format must show actual expenditures and receipts for the most recent fiscal year, estimated expenditures and receipts for the current fiscal year, and estimates for each fiscal year of the next biennium. Estimated expenditures must be classified by funds and character of expenditures

and ~~may be~~ subclassified by programs and activities. Agency revenue estimates must have supporting documentation to show how the estimates were made and what factors were used. Receipts must be classified by funds, programs, and activities. Expenditure and revenue estimates must be based on the law in existence at the time the estimates are prepared.

Sec. 16. 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.~~

Sec. 17. Minnesota Statutes 2012, section 16A.127, subdivision 4, is amended to read:

Subd. 4. **Federal proposals.** Agency applications for federal money shall include necessary submissions to recover both statewide and agency indirect costs. ~~A copy of the indirect cost submission must be submitted to the commissioner for review.~~ An agency indirect cost plan is unnecessary if the commissioner determines that the costs incurred in preparing and maintaining it exceed the benefit received by the state. If less than the entire agency proposal is federally approved, the commissioner may accept reimbursement of less than all of the federal receipts. If no federal funds are approved for indirect costs, the agency must document that fact to the commissioner.

Sec. 18. Minnesota Statutes 2012, section 16A.96, subdivision 2, is amended to read:

Subd. 2. **Authority.** (a) Subject to the limitations of this subdivision, the commissioner of management and budget may sell and issue appropriation bonds of the state under this section for the purposes of the Minnesota pay-for-performance program established in sections 16A.93 to 16A.96. Proceeds of the bonds must be credited to a special appropriation bond proceeds account in the state treasury. Net income from investment of the proceeds, as estimated by the commissioner, must be credited to the special appropriation bond proceeds account.

(b) Appropriation bonds may be sold and issued in amounts that, in the opinion of the commissioner, are necessary to provide sufficient funds for achieving the purposes authorized as provided under paragraph (a), and pay debt service, pay costs of issuance, make deposits to reserve funds, pay the costs of credit enhancement, or make payments under other agreements entered into under paragraph (d); provided, however, that bonds issued and unpaid shall not exceed \$10,000,000 in principal amount, excluding refunding bonds sold and issued under subdivision 4. ~~During the biennium ending June 30, 2013,~~ The commissioner may sell and issue bonds only in an amount that the commissioner determines will result in principal and interest payments less than the amount of savings to be generated through pay-for-performance contracts under section 16A.94. For programs achieving savings under a pay-for-performance contract, the commissioner must reduce general fund appropriations by at least the amount of principal and interest payments on bonds issued under this section.

(c) Appropriation bonds may be issued in one or more series on the terms and conditions the commissioner determines to be in the best interests of the state, but the term on any series of bonds may not exceed 20 years.

(d) At the time of, or in anticipation of, issuing the appropriation bonds, and at any time thereafter, so long as the appropriation bonds are outstanding, the commissioner may enter into agreements and ancillary arrangements relating to the appropriation bonds, including but not limited to trust indentures, liquidity facilities, remarketing or dealer agreements, letter of credit agreements, insurance policies, guaranty agreements, reimbursement agreements, indexing agreements, or interest exchange agreements. Any payments made or received according to the agreement

or ancillary arrangement shall be made from or deposited as provided in the agreement or ancillary arrangement. The determination of the commissioner included in an interest exchange agreement that the agreement relates to an appropriation bond shall be conclusive.

Sec. 19. Minnesota Statutes 2012, section 16E.01, subdivision 1, is amended to read:

Subdivision 1. **Creation; chief information officer.** The Office of ~~Enterprise Technology~~ MN. IT Services, referred to in this chapter as the "office," is an agency in the executive branch headed by a commissioner, who also is the state chief information officer. The appointment of the ~~chief information officer~~ commissioner is subject to the advice and consent of the senate under section 15.066."

Page 3, line 27, delete the new language

Page 3, line 28, after the period, insert "The system is exempt from section 16C.03, subdivision 17."

Page 4, line 3, delete "Enterprise Technology" and insert "MN. IT Services"

Page 4, delete section 6 and insert:

"Sec. 23. Minnesota Statutes 2012, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. **Membership, duties.** (a) The Criminal and Juvenile Justice Information Policy Group consists of the commissioner of corrections, the commissioner of public safety, the state chief information officer, ~~the commissioner of management and budget~~, four members of the judicial branch appointed by the chief justice of the Supreme Court, and the chair and first vice-chair of the Criminal and Juvenile Justice Information Task Force. The policy group may appoint additional, nonvoting members as necessary from time to time.

(b) The commissioner of public safety is designated as the chair of the policy group. The commissioner and the policy group have overall responsibility for the integration of statewide criminal justice information systems. This integration effort shall be known as CriMNet. The policy group may hire an executive director to manage the CriMNet projects and to be responsible for the day-to-day operations of CriMNet. The executive director shall serve at the pleasure of the policy group in unclassified service. The policy group must ensure that generally accepted project management techniques are utilized for each CriMNet project, including:

- (1) clear sponsorship;
- (2) scope management;
- (3) project planning, control, and execution;
- (4) continuous risk assessment and mitigation;
- (5) cost management;
- (6) quality management reviews;
- (7) communications management;
- (8) proven methodology; and
- (9) education and training.

(c) Products and services for CriMNet project management, system design, implementation, and application hosting must be acquired using an appropriate procurement process, which includes:

- (1) a determination of required products and services;
- (2) a request for proposal development and identification of potential sources;
- (3) competitive bid solicitation, evaluation, and selection; and
- (4) contract administration and close-out.

(d) The policy group shall study and make recommendations to the governor, the Supreme Court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on gross misdemeanor-level and felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights;

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and

(15) the development of a database for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 24. Minnesota Statutes 2012, section 403.36, subdivision 1, is amended to read:

Subdivision 1. **Membership.** (a) The commissioner of public safety shall convene and chair the Statewide Radio Board to develop a project plan for a statewide, shared, trunked public safety radio communication system. The system may be referred to as "Allied Radio Matrix for Emergency Response," or "ARMER."

(b) The board consists of the following members or their designees:

(1) the commissioner of public safety;

(2) the commissioner of transportation;

(3) the state chief information officer;

(4) the commissioner of natural resources;

(5) the chief of the Minnesota State Patrol;

(6) ~~the commissioner of management and budget;~~

(7) ~~the chair of the Metropolitan Council;~~

(8) ~~(7)~~ two elected city officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the League of Minnesota Cities;

(9) ~~(8)~~ two elected county officials, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Association of Minnesota Counties;

(10) ~~(9)~~ two sheriffs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governing body of the Minnesota Sheriffs' Association;

(11) ~~(10)~~ two chiefs of police, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Chiefs' of Police Association;

(12) ~~(11)~~ two fire chiefs, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Fire Chiefs' Association;

(13) ~~(12)~~ two representatives of emergency medical service providers, one from the nine-county metropolitan area and one from Greater Minnesota, appointed by the governor after considering recommendations made by the Minnesota Ambulance Association;

(14) ~~(13)~~ the chair of the regional radio board for the metropolitan area; and

~~(15)~~ (14) a representative of Greater Minnesota elected by those units of government in phase three and any subsequent phase of development as defined in the statewide, shared radio and communication plan, who have submitted a plan to the Statewide Radio Board and where development has been initiated.

(c) The Statewide Radio Board shall coordinate the appointment of board members representing Greater Minnesota with the appointing authorities and may designate the geographic region or regions from which an appointed board member is selected where necessary to provide representation from throughout the state.

Sec. 25. Minnesota Statutes 2012, section 477A.03, subdivision 2b, is amended to read:

Subd. 2b. **Counties.** (a) For aids payable in 2013 and thereafter, the total aid payable under section 477A.0124, subdivision 3, is \$80,795,000. Each calendar year, \$500,000 shall be retained by the commissioner of revenue to make reimbursements to the commissioner of management and budget for payments made under section 611.27. ~~For calendar year 2004, the amount shall be in addition to the payments authorized under section 477A.0124, subdivision 1. For calendar year 2005 and subsequent years,~~ The amount shall be deducted from the appropriation under this paragraph. The reimbursements shall be to defray the additional costs associated with court-ordered counsel under section 611.27. Any retained amounts not used for reimbursement in a year shall be included in the next distribution of county need aid that is certified to the county auditors for the purpose of property tax reduction for the next taxes payable year.

(b) For aids payable in 2013 and thereafter, the total aid under section 477A.0124, subdivision 4, is \$84,909,575. ~~The commissioner of management and budget shall bill the commissioner of revenue~~ shall transfer to the commissioner of management and budget \$207,000 annually for the cost of preparation of local impact notes as required by section 3.987, ~~not to exceed \$207,000 in fiscal year 2004 and thereafter and other local government activities.~~ The commissioner of education shall bill the commissioner of revenue for the cost of preparation of local impact notes for school districts as required by section 3.987, not to exceed shall transfer to the commissioner of education \$7,000 in fiscal year 2004 and thereafter annually for the cost of preparation of local impact notes for school districts as required by section 3.987. The commissioner of revenue shall deduct the amounts ~~billed~~ transferred under this paragraph from the appropriation under this paragraph. The amounts ~~deducted~~ transferred are appropriated to the commissioner of management and budget and the commissioner of education ~~for the preparation of local impact notes~~ respectively.

Sec. 26. **REVISOR'S INSTRUCTION.**

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall:

(1) substitute the term "Office of MN.IT Services" for "Office of Enterprise Technology" in each place where the latter term appears; and

(2) substitute the term "MN.IT services revolving fund" for "enterprise technology revolving fund" in each place where the latter term appears.

Sec. 27. **REPEALER.**

(a) Minnesota Statutes 2012, sections 3.989, subdivision 2; 15.06, subdivision 1a; 16A.06, subdivision 9; 16A.103, subdivision 4; 16A.106; 43A.31, subdivision 2; 127A.095, subdivision 3; and 325G.415, are repealed.

(b) Laws 2000, chapter 479, article 2, section 1, as amended by Laws 2000, chapter 499, section 41, and Laws 2001, First Special Session chapter 5, article 20, section 20, is repealed."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete everything before the semicolon and insert "changing certain finance and budget provisions; adding the Office of MN.IT Services to certain provisions and changing certain MN.IT provisions"

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. 1390, A bill for an act relating to state government; updating provisions in the Geospatial Information Office; amending Minnesota Statutes 2012, section 16E.30, subdivisions 7, 8, by adding subdivisions; repealing Minnesota Statutes 2012, section 16E.30, subdivisions 4, 5.

Reported the same back with the following amendments:

Page 3, delete section 4 and insert:

"Sec. 4. Minnesota Statutes 2012, section 16E.30, is amended by adding a subdivision to read:

Subd. 11. **Government sharing of electronic geospatial data.** (a) The definitions in section 13.02 apply to this subdivision.

(b) Electronic geospatial government data must be shared at no cost with government entities, the notification center established under section 216D.03, and federal and tribal government agencies. Data received under this subdivision may be reproduced or shared with other government entities or agencies. A release of data under this subdivision must include metadata or other documentation that identifies the original authoritative data source. Government entities providing data under this subdivision are not required to provide data in an alternate format specified by the requestor. A government entity is not required to provide the same data to the same requestor more than four times per year, unless required by law or court order. Government entities and agencies sharing and receiving electronic geospatial data under this subdivision are immune from civil liability arising out of the use of the shared electronic geospatial data. This subdivision does not authorize the release of data that are not public data."

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. 1419, A bill for an act relating to human services; modifying critical access dental provider requirements; amending Minnesota Statutes 2012, section 256B.76, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 17, delete ", and is located outside the seven-county metropolitan area"

With the recommendation that when so amended 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. 1549, A bill for an act relating to public safety; allowing participants in original ignition interlock device program to drive employer-owned vehicles not equipped with ignition interlock devices in certain instances.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 169A.37, subdivision 1, is amended to read:

Subdivision 1. **Crime described.** It is a crime for a person:

- (1) to fail to comply with an impoundment order under section 169A.60 (administrative plate impoundment);
- (2) to file a false statement under section 169A.60, subdivision 7, 8, or 14;
- (3) to operate a self-propelled motor vehicle on a street or highway when the vehicle is subject to an impoundment order issued under section 169A.60, unless specially coded plates have been issued for the vehicle pursuant to section 169A.60, subdivision 13;
- (4) to fail to notify the commissioner of the impoundment order when requesting new plates;
- (5) who is subject to a plate impoundment order under section 169A.60, to drive, operate, or be in control of any motor vehicle during the impoundment period, unless the vehicle is employer-owned and is not required to be equipped with an ignition interlock device pursuant to section 12 or 171.306, subdivision 4, paragraph (b), or has specially coded plates issued pursuant to section 169A.60, subdivision 13, and the person is validly licensed to drive; or
- (6) who is the transferee of a motor vehicle and who has signed a sworn statement under section 169A.60, subdivision 14, to allow the previously registered owner to drive, operate, or be in control of the vehicle during the impoundment period.

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

Sec. 2. Minnesota Statutes 2012, section 169A.51, subdivision 2, is amended to read:

Subd. 2. **Implied consent advisory.** (a) Subject to paragraph (b), at the time a test is requested, the person must be informed:

- (1) that Minnesota law requires the person to take a test:
  - (i) to determine if the person is under the influence of alcohol, controlled substances, or hazardous substances;

(ii) to determine the presence of a controlled substance listed in Schedule I or II or metabolite, other than marijuana or tetrahydrocannabinols; and

(iii) if the motor vehicle was a commercial motor vehicle, to determine the presence of alcohol;

(2) that refusal to take a test is a crime;

(3) if the peace officer has probable cause to believe the person has violated the criminal vehicular homicide and injury laws, that a test will be taken with or without the person's consent; and

(4) that the person has the right to consult with an attorney, but that this right is limited to the extent that it cannot unreasonably delay administration of the test.

(b) A peace officer who is not pursuing an implied consent revocation is not required to give the advisory described in paragraph (a) to a person whom the officer has probable cause to believe has violated section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6) (criminal vehicular operation DWI-related provisions).

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2012, section 169A.55, is amended by adding a subdivision to read:

**Subd. 5. Reinstatement of driving privileges; criminal vehicular operation.** A person whose driver's license has been revoked under section 171.17, subdivision 1, paragraph (a), clause (1) (revocation, criminal vehicular operation), or suspended under section 171.187 (suspension, criminal vehicular operation), for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6) (criminal vehicular operation DWI-related provisions), shall not be eligible for reinstatement of driving privileges until the person has submitted to the commissioner verification of the use of ignition interlock for the applicable time period specified in those sections. The commissioner shall establish performance standards and a process for certifying chemical monitoring devices. The standards and procedures are not rules and are exempt from chapter 14, including section 14.386.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2012, section 171.17, is amended by adding a subdivision to read:

**Subd. 4. Criminal vehicular operation; revocation periods.** (a) As used in this subdivision, "qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

(b) Upon receiving a record of a conviction for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6), the commissioner shall revoke the driver's license or driving privileges of a person as follows:

(1) not less than ten years if the violation resulted in great bodily harm or death to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(2) not less than eight years if the violation resulted in great bodily harm or death to another and the person has a qualified prior impaired driving incident within the past ten years;

(3) not less than six years if the violation resulted in great bodily harm or death to another;

(4) not less than six years if the violation resulted in bodily harm or substantial bodily harm to another and the person has two or more qualified prior impaired driving incidents within the past ten years or three or more qualified prior impaired driving incidents, and with denial under section 171.04, subdivision 1, clause (10), until rehabilitation is established according to standards established by the commissioner;

(5) not less than four years if the violation resulted in bodily harm or substantial bodily harm to another and the person has a qualified prior impaired driving incident within the past ten years; or

(6) not less than two years if the violation resulted in bodily harm or substantial bodily harm to another.

(c) Section 169A.09 applies when determining the number of qualified prior impaired driving incidents under this subdivision.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 5. **[171.187] SUSPENSION; CRIMINAL VEHICULAR OPERATION AND MANSLAUGHTER.**

Subdivision 1. **Suspension required.** The commissioner shall suspend the driver's license of a person:

(1) for whom a peace officer has made the certification described in section 629.344 that probable cause exists to believe that the person violated section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6); or

(2) who has been formally charged with a violation of section 609.20, 609.205, or 609.21, resulting from the operation of a motor vehicle.

Subd. 2. **Suspension period.** A suspension under this section continues until:

(1) the conviction, acquittal, or dismissal of the underlying crime that resulted in the suspension; or

(2) the commissioner, acting under subdivision 4, orders the termination of the suspension.

Subd. 3. **Credit.** If a person whose driver's license was suspended under subdivision 1 is later convicted of the underlying offense that resulted in the suspension and the commissioner revokes the person's license, the commissioner shall credit the time accrued under the suspension period toward the revocation period imposed under section 171.17, subdivision 4, or for violations of section 609.20, 609.205, or 609.21, subdivision 1, clause (1), (7), or (8).

Subd. 4. **Administrative review of license suspension.** (a) At any time during which a person's driver's license is suspended under this section, the person may request in writing a review of the suspension by the commissioner. Upon receiving a request, the commissioner or the commissioner's designee shall review the order of suspension, the evidence upon which the order was based, and any other material information brought to the attention of the commissioner, and determine whether sufficient cause exists to sustain the order. Within 15 days of receiving the request, the commissioner shall report in writing the results of the review. The review provided in this subdivision is not subject to the contested case provisions in chapter 14.

(b) In addition to any other reason provided for in this subdivision, a person may request a review of the suspension by the commissioner if the suspension has been in place for at least three months and the person has not been indicted or formally charged with the underlying crime that resulted in the license suspension.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2012, section 171.30, subdivision 1, is amended to read:

Subdivision 1. **Conditions of issuance.** (a) The commissioner may issue a limited license to the driver under the conditions in paragraph (b) in any case where a person's license has been:

(1) suspended under section 171.18, 171.173, ~~or 171.186~~, or 171.187;

(2) revoked, canceled, or denied under section:

(i) 169.792;

(ii) 169.797;

(iii) 169A.52:

(A) subdivision 3, paragraph (a), clause (1) or (2);

(B) subdivision 3, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;

(C) subdivision 4, paragraph (a), clause (1) or (2), if the test results indicate an alcohol concentration of less than twice the legal limit;

(D) subdivision 4, paragraph (a), clause (4), (5), or (6), if in compliance with section 171.306;

(iv) 171.17; or

(v) 171.172; or

(3) revoked, canceled, or denied under section 169A.54:

(i) subdivision 1, clause (1), if the test results indicate an alcohol concentration of less than twice the legal limit;

(ii) subdivision 1, clause (2);

(iii) subdivision 1, clause (5), (6), or (7), if in compliance with section 171.306; or

(iv) subdivision 2, if the person does not have a qualified prior impaired driving incident as defined in section 169A.03, subdivision 22, on the person's record, and the test results indicate an alcohol concentration of less than twice the legal limit.

(b) The following conditions for a limited license under paragraph (a) include:

(1) if the driver's livelihood or attendance at a chemical dependency treatment or counseling program depends upon the use of the driver's license;

(2) if the use of a driver's license by a homemaker is necessary to prevent the substantial disruption of the education, medical, or nutritional needs of the family of the homemaker; or

(3) if attendance at a postsecondary institution of education by an enrolled student of that institution depends upon the use of the driver's license.

(c) The commissioner in issuing a limited license may impose such conditions and limitations as in the commissioner's judgment are necessary to the interests of the public safety and welfare including reexamination as to the driver's qualifications. The license may be limited to the operation of particular vehicles, to particular classes and times of operation, and to particular conditions of traffic. The commissioner may require that an applicant for a limited license affirmatively demonstrate that use of public transportation or carpooling as an alternative to a limited license would be a significant hardship.

(d) For purposes of this subdivision:

(1) "homemaker" refers to the person primarily performing the domestic tasks in a household of residents consisting of at least the person and the person's dependent child or other dependents; and

(2) "twice the legal limit" means an alcohol concentration of two times the limit specified in section 169A.20, subdivision 1, clause (5).

(e) The limited license issued by the commissioner shall clearly indicate the limitations imposed and the driver operating under the limited license shall have the license in possession at all times when operating as a driver.

(f) In determining whether to issue a limited license, the commissioner shall consider the number and the seriousness of prior convictions and the entire driving record of the driver and shall consider the number of miles driven by the driver annually.

(g) If the person's driver's license or permit to drive has been revoked under section 169.792 or 169.797, the commissioner may only issue a limited license to the person after the person has presented an insurance identification card, policy, or written statement indicating that the driver or owner has insurance coverage satisfactory to the commissioner of public safety. The commissioner of public safety may require the insurance identification card provided to satisfy this subdivision be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(h) The limited license issued by the commissioner to a person under section 171.186, subdivision 4, must expire 90 days after the date it is issued. The commissioner must not issue a limited license to a person who previously has been issued a limited license under section 171.186, subdivision 4.

(i) The commissioner shall not issue a limited driver's license to any person described in section 171.04, subdivision 1, clause (6), (7), (8), (11), or (14).

(j) The commissioner shall not issue a class A, class B, or class C limited license.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2012, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. **Other waiting periods.** Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a first violation of section 169A.20, sections 169A.50 to 169A.53, or a statute or ordinance from another state in conformity with either of those sections; or

(2) one year, to a person whose license or privilege has been revoked or suspended for committing manslaughter resulting from the operation of a motor vehicle, committing criminal vehicular homicide or injury under section 609.21, subdivision 1, clause (1), (7), or (8), or violating a statute or ordinance from another state in conformity with either of those offenses.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2012, section 171.30, is amended by adding a subdivision to read:

Subd. 5. **Exception; criminal vehicular operation.** Notwithstanding subdivision 1, the commissioner may not issue a limited license to a person whose driver's license has been suspended or revoked due to a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6).

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2012, section 171.306, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) As used in this section, the terms in this subdivision have the meanings given them.

(b) "Ignition interlock device" or "device" means equipment that is designed to measure breath alcohol concentration and to prevent a motor vehicle's ignition from being started by a person whose breath alcohol concentration measures 0.02 or higher on the equipment.

(c) "Program participant" means a person who has qualified to take part in the ignition interlock program under this section, and whose driver's license has been;

(1) revoked, canceled, or denied under section 169A.52, 169A.54, or 171.04, subdivision 1, clause (10), and who has qualified to take part in the ignition interlock program under this section; or

(2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6).

(d) "Qualified prior impaired driving incident" has the meaning given in section 169A.03, subdivision 22.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2012, section 171.306, subdivision 4, is amended to read:

Subd. 4. **Issuance of restricted license.** (a) The commissioner shall issue a class D driver's license, subject to the applicable limitations and restrictions of this section, to a program participant who meets the requirements of this section and the program guidelines. The commissioner shall not issue a license unless the program participant has provided satisfactory proof that:

(1) a certified ignition interlock device has been installed on the participant's motor vehicle at an installation service center designated by the device's manufacturer; and

(2) the participant has insurance coverage on the vehicle equipped with the ignition interlock device. The commissioner shall require the participant to present an insurance identification card, policy, or written statement as proof of insurance coverage, and may require the insurance identification card provided be certified by the insurance company to be noncancelable for a period not to exceed 12 months.

(b) A license issued under authority of this section must contain a restriction prohibiting the program participant from driving, operating, or being in physical control of any motor vehicle not equipped with a functioning ignition interlock device certified by the commissioner. A participant may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner and with the employer's written consent.

(c) A program participant whose driver's license has been: (1) revoked under section 169A.52, subdivision 3, paragraph (a), clause (1), (2), or (3), or subdivision 4, paragraph (a), clause (1), (2), or (3), or section 169A.54, subdivision 1, clause (1), (2), (3), or (4); or (2) revoked under section 171.17, subdivision 1, paragraph (a), clause (1), or suspended under section 171.187, for a violation of section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6); may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction.

(d) A program participant whose driver's license has been revoked, canceled, or denied under section 169A.52, subdivision 3, paragraph (a), clause (4), (5), or (6), or subdivision 4, paragraph (a), clause (4), (5), or (6), or section 169A.54, subdivision 1, clause (5), (6), or (7), may apply for a limited license, subject to the ignition interlock restriction, if the program participant is enrolled in a licensed chemical dependency treatment or rehabilitation program as recommended in a chemical use assessment, and if the participant meets the other applicable requirements of section 171.30. After completing a licensed chemical dependency treatment or rehabilitation program and one year of limited license use without violating the ignition interlock restriction, the conditions of limited license use, or program guidelines, the participant may apply for conditional reinstatement of the driver's license, subject to the ignition interlock restriction. If the program participant's ignition interlock device subsequently registers a positive breath alcohol concentration of 0.02 or higher, the commissioner shall cancel the driver's license, and the program participant may apply for another limited license according to this paragraph.

(e) Notwithstanding any statute or rule to the contrary, the commissioner has authority to determine when a program participant is eligible for restoration of full driving privileges, except that the commissioner shall not reinstate full driving privileges until the program participant has met all applicable prerequisites for reinstatement under section 169A.55 and until the program participant's device has registered no positive breath alcohol concentrations of 0.02 or higher during the preceding 90 days.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

**Sec. 11. [629.344] CRIMINAL VEHICULAR OPERATION AND MANSLAUGHTER; CERTIFICATION OF PROBABLE CAUSE BY PEACE OFFICER.**

If a peace officer determines that probable cause exists to believe that a person has violated section 609.21, subdivision 1, clause (2), (3), (4), (5), or (6), the officer shall certify this determination and notify the commissioner of public safety.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to crimes committed on or after that date.

**Sec. 12. ORIGINAL IGNITION INTERLOCK DEVICE PROGRAM; USE OF EMPLOYER-OWNED VEHICLES.**

A person participating in the ignition interlock device program under Minnesota Statutes 2009, section 171.305, may drive an employer-owned vehicle not equipped with an interlock device while in the normal course and scope of employment duties pursuant to the program guidelines established by the commissioner referenced in Minnesota Statutes, section 171.306, subdivision 4, paragraph (b), and with the employer's written consent.

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

Sec. 13. **REPEALER.**

Minnesota Rules, parts 7503.0300, subpart 1; and 7503.0800, subpart 2, are repealed."

Delete the title and insert:

"A bill for an act relating to public safety; modifying driver's license suspension and revocation provisions for certain persons who commit criminal vehicular operation offenses; expanding the ignition interlock device program to include these offenders; allowing participants in original ignition interlock device program to drive employer-owned vehicles not equipped with ignition interlock devices in certain instances; amending Minnesota Statutes 2012, sections 169A.37, subdivision 1; 169A.51, subdivision 2; 169A.55, by adding a subdivision; 171.17, by adding a subdivision; 171.30, subdivisions 1, 2a, by adding a subdivision; 171.306, subdivisions 1, 4; proposing coding for new law in Minnesota Statutes, chapters 171; 629; repealing Minnesota Rules, parts 7503.0300, subpart 1; 7503.0800, subpart 2."

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

The report was adopted.

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

H. F. No. 1556, A bill for an act relating to civil commitment; limiting the time period that a person may be held in jail or state correctional facility pending or after civil commitment; amending Minnesota Statutes 2012, section 253B.045, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 2012, section 253B.045, subdivision 1a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[253B.046] LIMITED TIME PERIOD.**

(a) Notwithstanding any law to the contrary, a person being held under a judicial hold in jail pending a court order for civil commitment must be transferred to a treatment facility or community-based treatment program with an appropriate level of security within 48 hours of the first date of confinement under the hold. This paragraph does not apply to a person who has elected to be confined in a Department of Corrections or county correction or detention facility under section 253B.045.

(b) Notwithstanding any law to the contrary, a person confined in a correctional facility or jail who is civilly committed to a treatment facility with an appropriate level of security by court order must be placed in that facility within 48 hours of the date of commitment.

**EFFECTIVE DATE.** This section is effective August 1, 2013, and applies to civil commitment proceedings beginning on or after that date.

Sec. 2. **PERSONS PRESENTLY CONFINED.**

A person confined in a correctional facility or jail for more than 48 hours pending transfer to a treatment facility with an appropriate level of security on July 31, 2013, must be transferred to the secure treatment facility within 48 hours of that date, unless the person has elected to be confined in a Department of Corrections or county correction or detention facility under Minnesota Statutes, section 253B.045.

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

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1557, A bill for an act relating to civil commitment; requiring simultaneous competency, mental illness or defect, and civil commitment examinations for defendants; facilitating civil commitment hearings for defendants; amending Minnesota Statutes 2012, section 253B.07, subdivision 2a.

Reported the same back with the following amendments:

Page 1, line 14, before the period, insert "and the examiner recommends combining the examinations"

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. 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.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 131, 183, 252, 283, 458, 459, 525, 543, 662, 829, 841, 946, 947, 975, 1016, 1060, 1095, 1112, 1115, 1196, 1210, 1255, 1320, 1377, 1382, 1389, 1390, 1556, 1557 and 1587 were read for the second time.

**INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Beard introduced:

H. F. No. 1650, A bill for an act relating to public safety; traffic regulations; removing a surcharge for certain vehicle parking violations; amending Minnesota Statutes 2012, section 357.021, subdivision 6.

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

Clark introduced:

H. F. No. 1651, A resolution memorializing the President and Congress to support expanded housing options and greater tax fairness.

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

Norton introduced:

H. F. No. 1652, A bill for an act relating to capital improvements; appropriating money to establish a veterans facility in the city of Rochester; authorizing the sale and issuance of state bonds.

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

Bly, McNamar, Persell and Erickson, R., introduced:

H. F. No. 1653, A bill for an act relating to crime victims; authorizing grants; appropriating money to the commissioner of public safety for crime victims services programs and crime prevention.

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

Winkler and Carlson introduced:

H. F. No. 1654, A bill for an act relating to higher education; appropriating money to the Board of Regents of the University of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 137.

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

Sanders introduced:

H. F. No. 1655, A bill for an act relating to taxes; individual income; allowing a payroll tax credit; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Kahn and Davnie introduced:

H. F. No. 1656, A bill for an act relating to capital improvements; appropriating money for renovation and expansion of the Brian Coyle 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.

Brynaert; Johnson, C., and Cornish introduced:

H. F. No. 1657, A bill for an act relating to capital investment; appropriating money for the Rapidan Dam in Blue Earth County; 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.

Dehn, R.; Kahn; Loeffler and Davnie introduced:

H. F. No. 1658, A bill for an act relating to capital investment; appropriating money for the Water Works site in the Central Riverfront Regional Park in Minneapolis; 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.

Fritz introduced:

H. F. No. 1659, A bill for an act relating to taxation; sales and use; exempting most purchases by certain nursing homes and boarding care homes; amending Minnesota Statutes 2012, section 297A.70, by adding a subdivision.

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

Davids, Metsa, Loon and Isaacson introduced:

H. F. No. 1660, A bill for an act relating to taxes; expanding the sales tax exemption for certain meals and drinks; expanding the sales tax exemption for certain capital equipment purchases; amending Minnesota Statutes 2012, section 297A.68, subdivision 5, by adding subdivisions.

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

Davids introduced:

H. F. No. 1661, A bill for an act relating to taxation; sales and use; providing for a multiple points of use certificate; amending Minnesota Statutes 2012, section 297A.668, by adding a subdivision.

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

**MOTIONS AND RESOLUTIONS**

Atkins moved that the name of Moran be added as an author on H. F. No. 5. The motion prevailed.

Mullery moved that the name of Johnson, S., be added as an author on H. F. No. 15. The motion prevailed.

Newton moved that the name of Johnson, S., be added as an author on H. F. No. 31. The motion prevailed.

Mullery moved that the name of Nelson be added as an author on H. F. No. 45. The motion prevailed.

Dettmer moved that the name of Johnson, S., be added as an author on H. F. No. 72. The motion prevailed.

Freiberg moved that the name of Johnson, S., be added as an author on H. F. No. 83. The motion prevailed.

Winkler moved that the name of Johnson, S., be added as an author on H. F. No. 92. The motion prevailed.

Morgan moved that the name of Johnson, S., be added as an author on H. F. No. 173. The motion prevailed.

Allen moved that the name of Johnson, S., be added as an author on H. F. No. 174. The motion prevailed.

Mariani moved that the name of Johnson, S., be added as an author on H. F. No. 247. The motion prevailed.

Allen moved that the name of Johnson, S., be added as an author on H. F. No. 252. The motion prevailed.

Clark moved that the names of Metsa and Dehn, R., be added as authors on H. F. No. 348. The motion prevailed.

Morgan moved that the name of Johnson, S., be added as an author on H. F. No. 393. The motion prevailed.

Runbeck moved that her name be stricken as an author on H. F. No. 456. The motion prevailed.

Allen moved that the name of Johnson, S., be added as an author on H. F. No. 485. The motion prevailed.

Dehn, R., moved that the name of Johnson, S., be added as an author on H. F. No. 491. The motion prevailed.

Urdahl moved that the name of Johnson, S., be added as an author on H. F. No. 516. The motion prevailed.

Atkins moved that the name of McNamara be added as an author on H. F. No. 644. The motion prevailed.

Persell moved that his name be stricken as an author on H. F. No. 659. The motion prevailed.

Hilstrom moved that the names of Selcer and McNamara be added as authors on H. F. No. 678. The motion prevailed.

Mahoney moved that the name of Johnson, S., be added as an author on H. F. No. 690. The motion prevailed.

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

Halverson moved that the name of Lillie be added as an author on H. F. No. 710. The motion prevailed.

Morgan moved that the name of Kahn be added as an author on H. F. No. 773. The motion prevailed.

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

Davnie moved that the name of Johnson, S., be added as an author on H. F. No. 826. The motion prevailed.

Hansen moved that the name of Carlson be added as an author on H. F. No. 868. The motion prevailed.

Laine moved that the name of Lillie be added as an author on H. F. No. 937. The motion prevailed.

Fabian moved that the name of Erickson, R., be added as an author on H. F. No. 949. The motion prevailed.

Hortman moved that the name of Morgan be added as an author on H. F. No. 956. The motion prevailed.

Clark moved that the name of Johnson, S., be added as an author on H. F. No. 1054. The motion prevailed.

Norton moved that the name of Johnson, S., be added as an author on H. F. No. 1064. The motion prevailed.

Allen moved that the name of Simonson be added as an author on H. F. No. 1081. The motion prevailed.

Allen moved that the name of Simonson be added as an author on H. F. No. 1082. The motion prevailed.

Moran moved that the name of Johnson, S., be added as an author on H. F. No. 1142. The motion prevailed.

Isaacson moved that the name of Lillie be added as an author on H. F. No. 1194. The motion prevailed.

Runbeck moved that her name be stricken as an author on H. F. No. 1323. The motion prevailed.

Pugh moved that her name be stricken as an author on H. F. No. 1324. The motion prevailed.

Green moved that his name be stricken as an author on H. F. No. 1324. The motion prevailed.

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

Abeler moved that the name of Liebling be added as chief author on H. F. No. 1604. The motion prevailed.

Allen moved that the name of Clark be added as an author on H. F. No. 1635. The motion prevailed.

Bernardy moved that the names of Uglem, Selcer and Clark be added as authors on H. F. No. 1645. The motion prevailed.

Loeffler moved that the name of Clark be added as an author on H. F. No. 1647. The motion prevailed.

Bernardy moved that the name of Clark be added as an author on H. F. No. 1648. The motion prevailed.

Runbeck moved that H. F. No. 1050 be recalled from the Committee on State Government Finance and Veterans Affairs and be re-referred to the Committee on Transportation Finance. The motion prevailed.

#### ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 12:00 noon, Tuesday, April 2, 2013. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Tuesday, April 2, 2013.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives