

## STATE OF MINNESOTA

## EIGHTY-EIGHTH SESSION — 2014

## SEVENTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 27, 2014

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 Michael Byron, St. Pascal Baylon Church, St. Paul, 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	Hansen	Liebling	Newberger	Scott
Albright	Dill	Hausman	Lien	Newton	Selcer
Allen	Dorholt	Hertaus	Lillie	Nornes	Simon
Anderson, M.	Drazkowski	Hilstrom	Loeffler	Norton	Simonson
Anderson, P.	Erhardt	Holberg	Lohmer	O'Driscoll	Slocum
Anderson, S.	Erickson, R.	Hoppe	Loon	O'Neill	Sundin
Anzelc	Erickson, S.	Hornstein	Mack	Paymar	Swedzinski
Atkins	Fabian	Hortman	Mahoney	Pelowski	Theis
Barrett	Falk	Howe	Mariani	Peppin	Torkelson
Beard	Faust	Huntley	Marquart	Persell	Uglen
Benson, J.	Fischer	Isaacson	Masin	Petersburg	Urdahl
Benson, M.	FitzSimmons	Johnson, B.	McDonald	Poppe	Ward, J.A.
Bernardy	Franson	Johnson, C.	McNamar	Pugh	Ward, J.E.
Bly	Freiberg	Johnson, S.	McNamara	Quam	Wills
Brynaert	Fritz	Kahn	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	Hackbarth	Leidiger	Murphy, M.	Sawatzky	Spk. Thissen
Davnie	Halverson	Lenczewski	Myhra	Schoen	
Dehn, R.	Hamilton	Lesch	Nelson	Schomacker	

A quorum was present.

Dean, M.; Kelly; Melin and Wagenius 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 communication was received:

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 2014 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 2014</i>	<i>Date Filed 2014</i>
1952		151	11:50 a.m. March 26	March 26

Sincerely,

MARK RITCHIE  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 263, A bill for an act relating to public safety; adding fifth degree assault and certain domestic assault provisions to crime of violence; amending Minnesota Statutes 2012, section 624.712, subdivision 5.

Reported the same back with the following amendments:

Page 1, line 22, strike everything after "firearm"

Page 1, strike lines 23 and 24

Page 2, strike line 1

Page 2, line 2, strike everything before "and"

Page 2, line 4, strike the second comma and insert "or" and strike ", or 3" and strike "through third" and insert "and second"

Page 2, line 9, after "section" insert "is" and delete "2013" and insert "2014"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 653, A bill for an act relating to open meeting law; providing that certain communications on social media are not meetings under the law; amending Minnesota Statutes 2012, section 13D.01, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[13D.065] USE OF SOCIAL MEDIA.**

The use of social media by members of a public body does not violate this chapter so long as the social media use is limited to exchanges with members of the general public. For purposes of this section, e-mail is not considered a type of social media."

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

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

Reported the same back with the following amendments:

Page 1, line 18, delete "or"

Page 1, reinstate line 19

Page 1, line 20, reinstate "; or"

Page 1, line 21, reinstate "(iv)"

Page 1, line 23, delete "(iii)"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 1981, A bill for an act relating to transportation; roads; eliminating the sunset of certain snow removal authority; amending Minnesota Statutes 2013 Supplement, section 160.21, subdivision 6.

Reported the same back with the following amendments:

Page 2, after line 7, insert:

**"EFFECTIVE DATE.** This section is effective the day following final enactment and applies retroactively from May 2, 2014."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Hausman from the Committee on Capital Investment to which was referred:

H. F. No. 2031, A bill for an act relating to capital investment; appropriating money for public housing rehabilitation and debt service on additional housing infrastructure bonds issued by the Minnesota Housing Finance Agency; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2012, section 462A.37, subdivision 2, by adding subdivisions.

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

The report was adopted.

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

H. F. No. 2117, A bill for an act relating to veterans preference; providing that cost of hearing be paid by the state, political subdivision, municipality, or public agency; amending Minnesota Statutes 2012, section 197.481, 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 197.46, is amended to read:

**197.46 VETERANS PREFERENCE ACT; REMOVAL FORBIDDEN; RIGHT OF MANDAMUS.**

(a) Any person whose rights may be in any way prejudiced contrary to any of the provisions of this section, shall be entitled to a writ of mandamus to remedy the wrong. No person holding a position by appointment or employment in the several counties, cities, towns, school districts and all other political subdivisions in the state, who is a veteran separated from the military service under honorable conditions, shall be removed from such position or employment except for incompetency or misconduct shown after a hearing, upon due notice, upon stated charges, in writing.

(b) Any veteran who has been notified of the intent to discharge the veteran from an appointed position or employment pursuant to this section shall be notified in writing of such intent to discharge and of the veteran's right to request a hearing within 60 days of receipt of the notice of intent to discharge. The failure of a veteran to request a hearing within the provided 60-day period shall constitute a waiver of the right to a hearing. Such failure shall also waive all other available legal remedies for reinstatement.

Request for a hearing concerning such a discharge shall be made in writing and submitted by mail or personal service to the employment office of the concerned employer or other appropriate office or person. If the veteran requests a hearing under this section, such written request must also contain the veteran's election to be heard by a civil service board or commission, a merit authority, or a three person panel as defined in paragraph (c). If the veteran fails to identify the veteran's election, the governmental subdivision may select the hearing body.

~~In all governmental subdivisions having an established civil service board or commission, or merit system authority, such hearing for removal or discharge shall be held before such civil service board or commission or merit system authority. Where no such civil service board or commission or merit system authority exists, such hearing shall be held by~~ (c) Hearings under this section shall be held by a civil service board or commission, a merit system authority, or a board of three persons appointed as follows: one by the governmental subdivision, one by the veteran, and the third by the two so selected. In the event that In all governmental subdivisions having an established civil service board or commission or merit system authority, the veteran shall elect which body will hold the hearing. If the hearing is authorized to be veteran chooses to have the hearing held before a three-person board, the governmental subdivision's notice of intent to discharge shall state that the veteran must respond within 60 days of receipt of the notice of intent to discharge, and provide in writing to the governmental subdivision the name, United States mailing address, and telephone number of the veteran's selected representative for the three-person board. The failure of a veteran to submit the name, address, and telephone number of the veteran's selected representative to the governmental subdivision by mail or by personal service within the provided notice's 60-day period, shall constitute a waiver of the veteran's right to the hearing and all other legal remedies available for reinstatement of the veteran's employment position. In the event the two persons selected by the veteran and governmental subdivision do not appoint the third person within ten days after the appointment of the last of the two, then the judge of the district court of the county wherein the proceeding is pending, or if there be more than one judge in said county then any judge in chambers, shall have jurisdiction to appoint, and upon application of either or both of the two so selected shall appoint, the third person to the board and the person so appointed by the judge with the two first selected shall constitute the board.

(d) Either the veteran or the governmental subdivision may appeal from the decision of the board upon the charges to the district court by causing written notice of appeal, stating the grounds thereof, to be served upon the other party within 15 days after notice of the decision and by filing the original notice of appeal with proof of service thereof in the office of the court administrator of the district court within ten days after service thereof. Nothing in section 197.455 or this section shall be construed to apply to the position of private secretary, superintendent of schools, or one chief deputy of any elected official or head of a department, or to any person holding a strictly confidential relation to the appointing officer. Nothing in this section shall be construed to apply to the position of teacher. The burden of establishing such relationship shall be upon the appointing officer in all proceedings and actions relating thereto.

(e) The governmental subdivision shall bear all costs associated with the hearing, except the veteran's attorney fees.

All officers, boards, commissions, and employees shall conform to, comply with, and aid in all proper ways in carrying into effect the provisions of section 197.455 and this section notwithstanding any laws, charter provisions, ordinances or rules to the contrary. Any willful violation of such sections by officers, officials, or employees is a misdemeanor.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all notices of intent to discharge issued on or after that day."

Delete the title and insert:

"A bill for an act relating to veterans preference; modifying certain procedures related to the veterans preference hearing; amending Minnesota Statutes 2012, section 197.46."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2147, A bill for an act relating to state government; requiring continued employer insurance contributions for certain former state employees; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2156, A bill for an act relating to public safety; providing for accreditation of forensic laboratories; proposing coding for new law in Minnesota Statutes, chapter 299C.

Reported the same back with the following amendments:

Page 2, lines 3 and 13, delete "forensic"

Page 2, line 12, delete the second "forensic"

Page 2, line 28, delete "except as provided in paragraph (e)."

Page 2, line 31, before the period, insert "or beginning operation, whichever is later"

Page 2, after line 31, insert:

"(e) An accredited forensic laboratory operating on or after July 1, 2015, may conduct forensic analysis in a new forensic discipline as provided in this paragraph. If the standard described in paragraph (a), (b), or (c), under which the laboratory is accredited applies to the new discipline, the laboratory must become accredited in the new discipline under the appropriate standard within one year of when it first begins conducting forensic analysis in the new discipline. If the standard described in paragraph (a), (b), or (c), under which the laboratory is accredited does not apply to the new discipline, the laboratory must become accredited in the new discipline under the appropriate standard within three years of when it first begins conducting forensic analysis in the new discipline. A laboratory seeking accreditation in a new discipline under this paragraph must follow the standards necessary for accreditation during the period before accreditation."

Page 2, delete lines 32 to 35 and insert:

"(f) Notwithstanding paragraphs (d) and (e), upon the written request of a laboratory that contains the specific reasons for the request, the commissioner of public safety may extend by one year the three-year and one-year periods described in paragraphs (d) and (e) by which a laboratory must become initially accredited or accredited in a new discipline. Each deadline may be extended only once."

Page 3, line 1, delete "(f)" and insert "(g)"

Page 3, line 4, after the period, insert "A forensic laboratory seeking accreditation in a new discipline must forward to the commissioner every six months an affirmation that the laboratory is in compliance with paragraph (e)."

Page 3, line 6, delete "three-year"

Page 3, line 9, delete "and" and after "clause (2)" insert "; and paragraph (e)"

With the recommendation that when so amended the bill be re-referred to the Committee on Civil Law.

The report was adopted.

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

H. F. No. 2213, A bill for an act relating to mortgage foreclosures; amending the definition of a small servicer; clarifying the Foreclosure Curative Act; amending Minnesota Statutes 2013 Supplement, sections 582.043, subdivision 1; 582.27, subdivision 1.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2227, A bill for an act relating to health; establishing a plan for achieving continuous quality improvement in the care provided under the statewide system for ST elevation myocardial infarction response and treatment; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[144.497] ST ELEVATION MYOCARDIAL INFARCTION.**

The commissioner of health shall assess and report on the quality of care provided in the state for ST elevation myocardial infarction response and treatment. The commissioner shall:

(1) utilize and analyze data provided by ST elevation myocardial infarction receiving centers to the ACTION Registry-Get with the guidelines or an equivalent data platform that does not identify individuals or associate specific ST elevation myocardial infarction heart attack events with an identifiable individual;

(2) quarterly post a summary report of the data in aggregate form on the Department of Health Web site;

(3) annually inform the legislative committees with jurisdiction over public health of progress toward improving the quality of care and patient outcomes for ST elevation myocardial infarctions; and

(4) coordinate to the extent possible with national voluntary health organizations involved in ST elevation myocardial infarction heart attack quality improvement to encourage ST elevation myocardial infarction receiving centers to report data consistent with nationally recognized guidelines on the treatment of individuals with confirmed ST elevation myocardial infarction heart attacks within the state and encourage sharing of information among health care providers on ways to improve the quality of care of ST elevation myocardial infarction patients in Minnesota."

Delete the title and insert:

"A bill for an act relating to health; requiring the commissioner of health to assess and report on quality of care for ST elevation myocardial infarction response and treatment; proposing coding for new law in Minnesota Statutes, chapter 144."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2276, A bill for an act relating to safe at home program; regulating participant data and real property records; amending Minnesota Statutes 2013 Supplement, sections 5B.05; 13.045; proposing coding for new law in Minnesota Statutes, chapter 386.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2013 Supplement, section 5B.05, is amended to read:

**5B.05 USE OF DESIGNATED ADDRESS.**

(a) When a program participant presents the address designated by the secretary of state to any person, that address must be accepted as the address of the program participant. The person may not require the program participant to submit any address that could be used to physically locate the participant either as a substitute or in addition to the designated address, or as a condition of receiving a service or benefit, unless the service or benefit would be impossible to provide without knowledge of the program participant's physical location.

(b) A program participant may use the address designated by the secretary of state as the program participant's work address.

(c) The Office of the Secretary of State shall forward all mail sent to the designated address to the proper program participants.

(d) If a program participant has notified a person in writing, on a form prescribed by the program, that the individual is a program participant and of the requirements of this section, the person must not knowingly disclose the program participant's name, home address, work address, or school address, unless the person to whom the address is disclosed also lives, works, or goes to school at the address disclosed, or the participant has provided written consent to disclosure of the participant's name, home address, work address, or school address for the purpose for which the disclosure will be made. This paragraph does not apply to records of the judicial branch governed by rules adopted by the Supreme Court or government entities governed by section 13.045.

Sec. 2. Minnesota Statutes 2013 Supplement, section 13.045, is amended to read:

**13.045 SAFE AT HOME PROGRAM PARTICIPANT DATA.**

Subdivision 1. **Definitions.** As used in this section:

(1) "program participant" has the meaning given in section 5B.02, paragraph (g); ~~and~~

(2) "~~identity and location data~~" means any data that may be used to ~~identify or~~ physically locate a program participant, including but not limited to the program participant's ~~name~~, residential address, work address, and school address, and that is collected, received, or maintained by a government entity prior to the date a program participant's certification expires, or the date the entity receives notice that the program participant has withdrawn from the program, whichever is earlier;

(3) "identity data" means data that may be used to identify a program participant, including the program participant's name, phone number, e-mail address, address designated under chapter 5B, Social Security number, or driver's license number, and that is collected, received, or maintained by a government entity before the date a program participant's certification expires, or the date the entity receives notice that the program participant has withdrawn from the program, whichever is earlier;

(4) "county recorder" means the county official who performs the functions of the county recorder or registrar of titles to record a document as part of the county real estate document recording system, regardless of title or office; and

(5) "real property records" means any record of data that is maintained by a county as part of the county real estate document recording system for use by the public.

Subd. 2. **Notification of certification.** (a) A program participant may submit a notice, in writing, to the responsible authority of any government entity other than the county recorder that the participant is certified in the Safe at Home address confidentiality program pursuant to chapter 5B. The notice must include the program participant's name, names of other program participants in the household, address designated under chapter 5B, program participant signature, date the program participant's certification in the program expires, and any other information specified by the secretary of state. A program participant may submit a subsequent notice of certification, if the participant's certification is renewed. The contents of the notification of certification, ~~and the fact that a notice has been submitted,~~ are private data on individuals.

(b) To affect real property records, including but not limited to documents maintained in a public recording system, data on assessments and taxation, and other data on real property, a program participant must submit a real property notice in writing to the county recorder in the county where the property identified in the real property notice is located. A real property notice must be on a form prescribed by the secretary of state and must include:

(1) the full legal name of the program participant, including middle name;

(2) the last four digits of the program participant's Social Security number;

(3) the designated address of the program participant as assigned by the secretary of state, including lot number;

(4) the date the program participant's certification in the program expires;

(5) the legal description and street address, if any, of the real property affected by the notice;

(6) the address of the Office of the Secretary of State; and

(7) the signature of the program participant.

Only one parcel of real property may be included in each notice, but more than one notice may be presented to the county recorder. The county recorder may require a program participant to provide additional information necessary to identify the records of the program participant or the real property described in the notice. A program participant must submit a subsequent real property notice for the real property if the participant's certification is renewed. The real property notice is private data on individuals.

Subd. 3. **Classification of identity and location data; sharing and dissemination.** (a) Identity and location data on a program participant who submits a notice under subdivision 2, paragraph (a), that are not otherwise classified by law are private data on individuals. Notwithstanding any provision of law to the contrary, private or confidential identity and location data on a program participant who submits a notice under subdivision 2, paragraph (a), may not be shared with any other government entity, or disseminated to any person, unless: or nongovernmental entity except as provided in paragraph (b).

(b) Private or confidential location data on a program participant must not be shared or disclosed by a government entity unless:

(1) the program participant has expressly consented in writing to sharing or dissemination of the data for the purpose for which the sharing or dissemination will occur;

(2) the data are subject to sharing or dissemination pursuant to court order under section 13.03, subdivision 6; or

(3) the data are subject to sharing pursuant to section 5B.07, subdivision 2;

(4) the location data related to county of residence are needed to provide public assistance or other government services, or to allocate financial responsibility for the assistance or services;

(5) the data are necessary to perform a government entity's health, safety, or welfare functions, including the provision of emergency 911 services, the assessment and investigation of child or vulnerable adult abuse or neglect, or the assessment or inspection of services or locations for compliance with health, safety, or professional standards; or

(6) the data are necessary to aid an active law enforcement investigation of the program participant.

(c) Data disclosed under paragraph (b), clauses (4) to (6), may be used only for the purposes authorized in this subdivision and may not be further disclosed to any other person or government entity. Government entities receiving or sharing private or confidential data under this subdivision shall establish procedures to protect the data from further disclosure.

(d) Real property record data are governed by subdivision 4a.

Subd. 4. **Acceptance of alternate address required.** Regardless of whether a notice of certification has been submitted under subdivision 2, a government entity must accept the address designated by the secretary of state as a program participant's address, and is subject to the requirements contained in section 5B.05, paragraphs (a) to (c).

Subd. 4a. **Real property records.** (a) If a program participant submits a notice to a county recorder under subdivision 2, paragraph (b), the county recorder must not disclose the program participant's identity data in conjunction with the property identified in the written notice, unless:

(1) the program participant has consented to sharing or dissemination of the data for the purpose identified in a writing acknowledged by the program participant;

(2) the data are subject to sharing or dissemination pursuant to court order under section 13.03, subdivision 6; or

(3) the secretary of state authorizes the sharing or dissemination of the data under subdivision 4b for the purpose identified in the authorization.

This subdivision does not prevent the county recorder from returning original documents to the individuals that submitted the documents for recording. This subdivision does not prevent the public disclosure of the participant's name and address designated under chapter 5B in the county reception index if the participant's name and designated address are not disclosed in conjunction with location data. Each county recorder shall establish procedures for recording or filing documents to comply with this subdivision. These procedures may include masking identity or location data and making documents or certificates of title containing the data private and not viewable except as allowed by this paragraph. The procedure must comply with the requirements of chapters 386, 507, 508, and 508A and other laws as appropriate, to the extent these requirements do not conflict with this section. The procedures must provide public notice of the existence of recorded documents and certificates of title that are not publicly viewable and the provisions for viewing them under this subdivision. Notice that a document or certificate is private and viewable only under this subdivision or subdivision 4b is deemed constructive notice of the document or certificate.

(b) A real property notice is notice only to the county recorder. A notice that does not conform to the requirements of a real property notice under subdivision 2, paragraph (b), is not effective as a notice to the county recorder. On receipt of a real property notice, the county recorder shall provide a copy of the notice to the person who maintains the property tax records in that county, and provide a copy to the secretary of state at the address specified by the secretary of state in the notice.

(c) Paragraph (a) applies only to the records recorded or filed concurrently with the real property notice specified in subdivision 2, paragraph (b), and real property records affecting the same real property recorded subsequent to the county's receipt of the real property notice.

(d) The prohibition on disclosure in paragraph (a) continues until:

(1) the program participant has consented to the termination of the real property notice in a writing acknowledged by the program participant;

(2) the real property notice is terminated pursuant to a court order;

(3) the program participant no longer holds a record interest in the real property identified in the real property notice; or

(4) the secretary of state has given written notice to the county recorder who provided the secretary of state with a copy of a participant's real property notice that the program participant's certification has terminated. Notification under this paragraph must be given by the secretary of state within 90 days of the termination.

Upon termination of the prohibition of disclosure, the county recorder shall make publicly viewable all documents and certificates of title relative to the participant that were previously partially or wholly private and not viewable.

Subd. 4b. **Access to real property data; title examination.** (a) Upon request, the secretary of state may share data regarding a program participant's real property records for the purpose of confirming or denying that the program participant's real property is the property subject to a bona fide title examination. The request must include:

(1) the name, title, address, and affiliated organization, if applicable, of the person requesting data;

(2) the purpose for requesting data;

(3) the requestor's relationship, if any, to the program participant subject to the data; and

(4) the legal description of the property subject to the title examination and any other information required by the secretary of state to respond to the request.

The secretary of state shall approve or deny a request for access to data within two business days.

(b) In responding to a bona fide request, the secretary of state may respond by an affirmation in writing that the property subject to the title examination is or is not the property subject to a program participant's real property notice. Notwithstanding subdivision 4a, or any law to the contrary, a party examining title may rely conclusively on the information contained in a written affirmation from the secretary of state.

(c) Location data disclosed under this subdivision may be used only for the purposes authorized in this subdivision and may not be further disclosed to any other person. A person receiving private data under this subdivision shall establish procedures to protect the data from further disclosure.

**Subd. 5. Duties of the secretary of state and other government entities limited.** Nothing in this section establishes a duty for:

(1) the Office of the Secretary of State to identify other government entities that may hold data on a program participant; or

(2) the responsible authority of any government entity to independently determine whether it maintains data on a program participant, unless a request is received pursuant to section 13.04 or a notice of certification is submitted pursuant to this section.

**Subd. 6. Service of process upon program participants.** Notwithstanding any law to the contrary, after a government entity receives a notice under subdivision 2 or 4a, if the government entity seeks to serve process upon a program participant, the service must be made by personal service or service by mail upon the secretary of state under section 5B.03, subdivision 1, clause (3). In an action in which service by publication is required or necessary, publication is valid if the publication omits the name of the program participant and the secretary of state has been served as provided in this subdivision.

**Subd. 7. Sharing of program participant data with the secretary of state.** Nothing in this section prevents a government entity from sharing program participant data with the secretary of state for the purpose of facilitating compliance with this section.

Sec. 3. **EFFECTIVE DATE; EARLY COMPLIANCE.**

Sections 1 and 2 are effective the day following final enactment. Compliance with section 2 prior to its effective date is not a violation of chapter 13."

Delete the title and insert:

"A bill for an act relating to the safe at home program; regulating participant data and real property records; amending Minnesota Statutes 2013 Supplement, sections 5B.05; 13.045."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2313, A bill for an act relating to public employment; changing the definition of a confidential employee; amending Minnesota Statutes 2012, section 179A.03, subdivision 4.

Reported the same back with the following amendments:

Page 1, line 8, delete "uses" and insert "is required to access and actually use"

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

The report was adopted.

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

H. F. No. 2319, A bill for an act relating to deposits and investments of public funds; granting the Metropolitan Council additional investment authority; making certain conforming technical changes; amending Minnesota Statutes 2012, sections 118A.03, subdivision 5; 118A.04, subdivisions 7, 8; 118A.07; 473.543, subdivision 3.

Reported the same back with the following amendments:

Page 2, after line 2, insert:

"Sec. 4. Minnesota Statutes 2012, section 118A.05, subdivision 4, is amended to read:

Subd. 4. **Minnesota joint powers investment trust.** Government entities may enter into agreements or contracts for:

(1) shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in this section ~~and~~, section 118A.04, and section 118.07, subdivision 7;

(2) units of a short-term investment fund established and administered pursuant to regulation 9 of the Office of the Comptroller of the Currency, in which investments are restricted to securities described in this section and section 118A.04;

(3) shares of an investment company which is registered under the Federal Investment Company Act of 1940 and which holds itself out as a money market fund meeting the conditions of rule 2a-7 of the Securities and Exchange Commission and is rated in one of the two highest rating categories for money market funds by at least one nationally recognized statistical rating organization; or

(4) shares of an investment company which is registered under the Federal Investment Company Act of 1940, and whose shares are registered under the Federal Securities Act of 1933, as long as the investment company's fund receives the highest credit rating and is rated in one of the two highest risk rating categories by at least one nationally recognized statistical rating organization and is invested in financial instruments with a final maturity no longer than 13 months."

Page 3, after line 30, insert:

"Subd. 7. **Negotiable certificates of deposit.** A Minnesota joint powers investment trust may invest funds in negotiable certificates of deposit or other evidences of deposit, with a remaining maturity of three years or less, issued by a nationally or state-chartered bank, a federal or state savings and loan association, or a state-licensed branch of a foreign bank, except that for obligations with a maturity of one year or less, the debt obligations of the issuing institution or its parent are rated in the top short-term rating category by at least two nationally recognized statistical ratings organizations and for obligations with a maturity in excess of one year, the senior debt obligations of the issuing institution or its parent are rated at least A or its equivalent by at least two nationally recognized statistical ratings organizations. Investments in these instruments shall not be subject to the collateralization requirements of section 118A.03."

Page 4, line 4, delete "5" and insert "6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing certain investments by a Minnesota joint powers investment trust;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2324, A bill for an act relating to education; including additional therapists within the teacher bargaining unit; amending Minnesota Statutes 2012, section 179A.03, subdivision 18.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2405, A bill for an act relating to data practices; classifying financial account numbers as private or nonpublic data; proposing coding for new law in Minnesota Statutes, chapter 13.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2013 Supplement, section 13.37, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section, the following terms have the meanings given them.

(a) "Security information" means government data the disclosure of which the responsible authority determines would be likely to substantially jeopardize the security of information, possessions, individuals or property against theft, tampering, improper use, attempted escape, illegal disclosure, trespass, or physical injury. "Security information" includes checking account numbers, crime prevention block maps and lists of volunteers who participate in community crime prevention programs and their home and mailing addresses, telephone numbers, e-mail or other digital addresses, Internet communication services accounts information or similar accounts information, and global positioning system locations.

(b) "Trade secret information" means government data, including a formula, pattern, compilation, program, device, method, technique or process (1) that was supplied by the affected individual or organization, (2) that is the subject of efforts by the individual or organization that are reasonable under the circumstances to maintain its secrecy, and (3) that derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who can obtain economic value from its disclosure or use.

(c) "Labor relations information" means management positions on economic and noneconomic items that have not been presented during the collective bargaining process or interest arbitration, including information specifically collected or created to prepare the management position.

(d) "Parking space leasing data" means the following government data on an applicant for, or lessee of, a parking space: residence address, home telephone number, beginning and ending work hours, place of employment, work telephone number, and location of the parking space.

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

Delete the title and insert:

"A bill for an act relating to data practices; classifying checking account numbers as nonpublic data; amending Minnesota Statutes 2013 Supplement, section 13.37, subdivision 1."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2419, A bill for an act relating to retirement; requiring the commissioner of management and budget to report to the legislature on a state-administered retirement savings plan; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **REPORT; RETIREMENT SAVINGS PLAN.**

(a) The commissioner of management and budget must report to the legislature by January 15, 2015, on the potential for a state-administered retirement savings plan to serve employees without access to either an automatic enrollment payroll deduction IRA maintained or offered by their employer, or a multiemployer retirement plan or qualifying retirement plan or arrangement described in sections 414(f) and 219(g)(5), respectively, of the Internal Revenue Code of 1986, as amended through April 14, 2011. The potential state-administered plan would provide for individuals to make contributions to their own accounts to be pooled and invested by the State Board of Investment, with the benefit consisting of the balance in each individual's account, and with the state having no liability for investment earnings and losses, while discouraging employers from dropping existing retirement plan options.

(b) The report must include:

(1) estimates of the number of Minnesota workers who could be served by the potential state-administered plan and the participation rate that would make the plan self-sustaining;

(2) the effect of federal tax laws and the federal Employee Retirement Income Security Act on a potential state-administered plan and on participating employers and employees, including coverage and potential gaps in consumer protections;

(3) the potential use and availability of investment strategies, private insurance, underwriting, or reinsurance against loss to limit or eliminate potential state liability and manage risk to the principal;

(4) options for the process by which individuals would enroll in and contribute to the plan;

(5) projected costs of administration, record keeping, and investment management, including staffing, legal, compliance, licensing, procurement, communications with employers and employees, oversight, marketing, technology and infrastructure, and the fee needed to cover these costs as a percentage of the average daily net assets of the potential state-administered plan, relative to asset size, with estimates of investment-related fees determined in consultation with the State Board of Investment; and

(6) a comparison of a potential state-administered plan to private sector and federal government retirement savings options with regard to participation rates, contribution rates, risk-adjusted return expectations, fees, and any other factors determined by the commissioner, which may include suitability in meeting the investment needs of participants.

(c) Subject to available appropriation, the report may include:

(1) estimates of the average amount of savings and other financial resources residents of Minnesota have upon retirement and those that are recommended for a financially secure retirement in Minnesota;

(2) estimates of the relative progress toward achieving the savings recommended for a financially secure retirement by gender, race, and ethnicity;

(3) barriers to savings and reasons individuals and employers may not be participating in existing private sector retirement plans;

(4) the estimated impact on publicly funded social safety net programs attributable to insufficient retirement savings, and the aggregate effect of potential state-administered plan options on publicly funded social safety net programs and the state economy;

(5) the effect of federal tax laws and the federal Employee Retirement Income Security Act on a potential state-administered plan that allows for voluntary employer contributions, either commingled with or segregated from employee contributions;

(6) options for a potential state-administered plan to use group annuities to ensure a stable stream of retirement income throughout beneficiaries' retirement years;

(7) alternative ways and costs for the state to encourage similar outcomes to a state-administered plan; and

(8) other topics that the commissioner determines are relevant to legislative consideration of possible establishment of a state-administered plan.

(d) The commissioner may meet any of the topics in paragraph (c) by reporting the results of a request for public comment.

Sec. 2. **APPROPRIATION.**

\$300,000 is appropriated for the fiscal year ending June 30, 2014, from the general fund to the commissioner of management and budget for the purposes of section 1. This appropriation is available until spent.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment."

With the recommendation that when so amended the bill 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. 2434, A bill for an act relating to local government; increasing the maximum number of connections allowed for the Cedar Lake area water and sanitary sewer district; authorizing Helena Township in Scott County to use surplus land, property, or money for certain purposes after removal of a subordinate service district; amending Laws 1999, chapter 243, article 14, section 5, subdivision 1.

Reported the same back with the following amendments:

Page 2, delete line 11 and insert:

**EFFECTIVE DATE.** This section is effective the day after the governing body of the Cedar Lake area water and sanitary sewer district and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

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

The report was adopted.

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

H. F. No. 2445, A bill for an act relating to solid waste; establishing textile waste diversion goal for the state; amending Minnesota Statutes 2012, section 115A.551, 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 115A.551, is amended by adding a subdivision to read:

**Subd. 1a. Textile reuse and recycling goal.** It is a goal of this state that the following percentages of textiles currently sent to landfills and waste-to-energy facilities for disposal be diverted via reuse and recycling by the end of the year indicated:

(1) 20 percent by 2020;

(2) 40 percent by 2025; and

(3) 75 percent by 2030.

For the purposes of this subdivision, "textiles" means clothing, towels, bedding, curtains, purses and other bags designed to hold personal items, belts, and shoes.

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

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2474, A bill for an act relating to Dakota County; authorizing adoption of local county government plan; proposing coding for new law in Minnesota Statutes, chapter 383D.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2482, A bill for an act relating to lawful gambling; providing for lawful gambling fraud; amending Minnesota Statutes 2012, section 609.763.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2525, A bill for an act relating to education; clarifying the definition of employee to reflect the school calendar for purposes of parental leave; amending Minnesota Statutes 2012, section 181.940, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 181.940, subdivision 2, is amended to read:

Subd. 2. **Employee.** "Employee" means a person who ~~performs services for hire for~~ has been employed by an employer from whom a leave is requested under sections 181.940 to 181.944 for:

(1) at least 12 consecutive months immediately preceding the request; ~~and~~ or

(2) at least 12 months immediately preceding the request if the employer is an educational institution; and

~~(2)~~ (3) for an average number of hours per week equal to one-half the full-time equivalent position in the employee's job classification as defined by the employer's personnel policies or practices or pursuant to the provisions of a collective bargaining agreement, during those 12 months.

For the purpose of this subdivision, "educational institution" means an elementary or secondary school.

Employee includes all individuals employed at any site owned or operated by the employer but does not include an independent contractor.

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

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2541, A bill for an act relating to energy; making changes to the energy improvements program for local governments; making technical changes; amending Minnesota Statutes 2012, sections 216C.41, subdivision 4; 216C.436, subdivision 4, by adding a subdivision; repealing Minnesota Rules, parts 3300.0800; 3300.0900; 3300.1000, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 17, 18, 19, 20, 21, 22, 23, 24, 25, 25a, 26, 27, 28,

29, 30, 31, 32, 33, 34, 35, 36; 3300.1100; 3300.1200; 3300.1300; 3300.1400; 3300.1500; 3300.1600; 3300.1700; 3300.1800; 3300.1900; 7607.0100; 7607.0110; 7607.0120; 7607.0130; 7607.0140; 7607.0150; 7607.0160; 7607.0170; 7607.0180; 7610.0300; 7685.0100; 7685.0120; 7685.0130; 7685.0140.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2562, A bill for an act relating to public safety; establishing a working group to study and make recommendations on how to address mentally ill offenders who are arrested or subject to arrest; requiring a report.

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

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 2576, A bill for an act relating to criminal justice; modifying provisions governing expungement of criminal records; requiring business screening services to delete expunged records; allowing expungement of eviction records in certain cases; amending Minnesota Statutes 2012, sections 260B.198, subdivision 6; 332.70, by adding a subdivision; 504B.345, subdivision 1; 609A.02, subdivision 3; 609A.03, subdivisions 5, 7, 8, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 609A.

Reported the same back with the following amendments:

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 2012, section 245C.22, subdivision 7, is amended to read:

Subd. 7. **Classification of certain data.** (a) Notwithstanding section 13.46, except as provided in paragraph (f), upon setting aside a disqualification under this section, the identity of the disqualified individual who received the set-aside and the individual's disqualifying characteristics are public data if the set-aside was:

(1) for any disqualifying characteristic under section 245C.15, when the set-aside relates to a child care center or a family child care provider licensed under chapter 245A; or

(2) for a disqualifying characteristic under section 245C.15, subdivision 2.

(b) Notwithstanding section 13.46, upon granting a variance to a license holder under section 245C.30, the identity of the disqualified individual who is the subject of the variance, the individual's disqualifying characteristics under section 245C.15, and the terms of the variance are public data, when the variance:

(1) is issued to a child care center or a family child care provider licensed under chapter 245A; or

(2) relates to an individual with a disqualifying characteristic under section 245C.15, subdivision 2.

(c) The identity of a disqualified individual and the reason for disqualification remain private data when:

(1) a disqualification is not set aside and no variance is granted, except as provided under section 13.46, subdivision 4;

(2) the data are not public under paragraph (a) or (b);

(3) the disqualification is rescinded because the information relied upon to disqualify the individual is incorrect;

(4) the disqualification relates to a license to provide relative child foster care. As used in this clause, "relative" has the meaning given it under section 260C.007, subdivision 27; or

(5) the disqualified individual is a household member of a licensed foster care provider and:

(i) the disqualified individual previously received foster care services from this licensed foster care provider;

(ii) the disqualified individual was subsequently adopted by this licensed foster care provider; and

(iii) the disqualifying act occurred before the adoption.

(d) Licensed family child care providers and child care centers must provide notices as required under section 245C.301.

(e) Notwithstanding paragraphs (a) and (b), the identity of household members who are the subject of a disqualification related set-aside or variance is not public data if:

(1) the household member resides in the residence where the family child care is provided;

(2) the subject of the set-aside or variance is under the age of 18 years; and

(3) the set-aside or variance only relates to a disqualification under section 245C.15, subdivision 4, for a misdemeanor-level theft crime as defined in section 609.52.

(f) When the commissioner has reason to know that a disqualified individual has received an order for expungement of the disqualifying criminal record according to chapter 260B or 609A that does not limit the commissioner's access to the record, the data that would otherwise become public under paragraphs (a) and (b) remains private data.

Sec. 2. Minnesota Statutes 2012, section 245C.23, subdivision 1, is amended to read:

Subdivision 1. **Disqualification that is rescinded or set aside.** (a) If the commissioner rescinds or sets aside a disqualification, the commissioner shall notify the applicant, license holder, or other entity in writing or by electronic transmission of the decision.

(b) In the notice from the commissioner that a disqualification has been rescinded, the commissioner must inform the applicant, license holder, or other entity that the information relied upon to disqualify the individual was incorrect.

(c) Except as provided in paragraph (d), in the notice from the commissioner that a disqualification has been set aside, the commissioner must inform the applicant, license holder, or other entity of the reason for the individual's disqualification and that information about which factors under section 245C.22, subdivision 4, were the basis of the decision to set aside the disqualification are available to the license holder upon request without the consent of the background study subject.

(d) When the commissioner has reason to know that a disqualified individual has received an order for expungement of the disqualifying criminal record according to chapter 260B or 609A that does not limit the commissioner's access to the record, the notice from the commissioner that a disqualification has been set aside must not inform the applicant, license holder, or other entity of the information under paragraph (c), and must state that the records related to the individual's disqualification have been sealed under a court order."

Page 2, line 10, after the period, insert "A record expunged under this subdivision on or after the effective date of this act is sealed and access only allowed pursuant to paragraph (d)."

Page 7, line 2, delete ", claims of innocence," and insert "and"

Page 7, line 3, delete ", and irregularities in the trial"

Page 7, line 10, after "victims" insert "or whether victims" and after "crime" insert "were minors"

Page 8, line 29, delete everything after "be" and insert "opened or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;"

Page 8, delete line 30

Page 8, line 35, delete the period and insert a semicolon

Page 9, line 4, after "unless" insert "the commissioner had been properly served with notice of the petition for expungement and"

Page 9, line 10, delete "or civil"

Page 9, line 19, delete everything after "authority"

Page 9, line 20, delete everything before the period

Page 10, line 2, delete "9" and insert "11"

Page 10, delete line 4

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 2582, A bill for an act relating to corporations; providing for the organization and operation of public benefit corporations; proposing coding for new law as Minnesota Statutes, chapter 304A.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2605, A bill for an act relating to commerce; establishing a fee schedule for automated property system transactions; authorizing state auditor to examine fee schedule; delaying effective dates for automated property system; requiring reports; amending Minnesota Statutes 2012, section 325E.21, by adding a subdivision; Minnesota Statutes 2013 Supplement, sections 168A.1501, subdivision 5, by adding a subdivision; 325E.21, subdivisions 1a, 1c, 4; Laws 2013, chapter 126, sections 5; 10; 11.

Reported the same back with the following amendments:

Page 2, line 6, delete "April" and insert "June"

Page 2, line 12, delete "68" and insert "72"

Page 3, line 31, delete "April" and insert "June"

Page 4, line 16, delete "April" and insert "June"

Page 4, line 22, delete "68" and insert "72"

Page 5, line 8, after "register" insert "annually" and after "with" insert "the commissioner"

Page 5, line 9, strike everything before the period

Page 5, lines 23, 27, 29, and 31, delete "April" and insert "June"

Page 5, after line 31, insert:

"Sec. 10. **ENFORCEMENT; GRACE PERIOD.**

The requirements of Minnesota Statutes, sections 168A.1501, subdivision 5; and 325E.21, subdivision 1c, may not be enforced until October 21, 2015."

Page 6, line 1, delete "10" and insert "11"

Renumber the sections in sequence

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2658, A bill for an act relating to workers' compensation; adopting the recommendations of the Workers' Compensation Advisory Council; amending Minnesota Statutes 2012, sections 176.129, subdivisions 2a, 7; 176.135, subdivision 7; 176.136, subdivision 1a; 176.231, subdivision 2; 176.305, subdivision 1a; Minnesota Statutes 2013 Supplement, section 176.011, subdivision 15; repealing Minnesota Statutes 2012, sections 175.006, subdivision 1; 175.08; 175.14; 175.26; 176.1311; 176.136, subdivision 3; 176.2615; 176.641.

Reported the same back with the following amendments:

Page 6, lines 7 to 11, delete the new language

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

The report was adopted.

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

H. F. No. 2659, A bill for an act relating to state government; exempting a person who performs threading from licensing; authorizing the good cause exemption for rulemaking; amending Minnesota Statutes 2012, sections 155A.23, by adding a subdivision; 155A.27, subdivision 9; 155A.29, by adding a subdivision.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2660, A bill for an act relating to courts; amending partial payment or reimbursement of costs from a party proceeding in forma pauperis; amending Minnesota Statutes 2012, section 563.01, subdivision 3, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 17, delete "under" and insert "described in"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2719, A bill for an act relating to environment; modifying environmental review requirements for biorefinery using cellulosic feedstock; amending Minnesota Statutes 2012, section 116D.04, subdivision 2a.

Reported the same back with the following amendments:

Page 2, line 11, delete "biochemicals" and insert "chemicals"

Page 2, line 13, reinstate the stricken "or"

Page 2, line 14, delete ": or a biorefinery using cellulosic feedstock" and insert ". A facility or plant that only uses a cellulosic feedstock to produce chemical products for use by another facility as a feedstock shall not be considered a fuel conversion facility as used in rules adopted under this chapter"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2751, A bill for an act relating to metropolitan transit; expanding scope of jurisdiction of Transportation Accessibility Advisory Committee; amending Minnesota Statutes 2012, sections 473.375, by adding a subdivision; 473.386, subdivision 2.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Mahoney from the Committee on Jobs and Economic Development Finance and Policy to which was referred:

H. F. No. 2762, A bill for an act relating to cosmetology; making changes to the Board of Cosmetologist Examiners; authorizing exempt rulemaking; amending Minnesota Statutes 2012, sections 155A.23, subdivision 6; 155A.275, subdivision 1; 155A.29, subdivisions 1, 3, by adding a subdivision; 155A.30, subdivision 1, by adding a subdivision; 155A.32; 155A.33, subdivision 4; Minnesota Statutes 2013 Supplement, sections 155A.20; 155A.25, subdivision 4; 155A.27, subdivision 10; 155A.271, subdivision 2; repealing Minnesota Statutes 2012, sections 155A.24, subdivisions 3, 4; 155A.27, subdivision 3.

Reported the same back with the following amendments:

Page 7, line 4, after the stricken "(20)" insert "(15)" and reinstate the stricken "refused to serve a customer because of race, color, creed, religion, disability,"

Page 7, reinstate line 5

Page 7, line 8, delete "(15)" and insert "(16)"

Page 7, delete section 14 and insert:

"Sec. 14. **EXPEDITED RULEMAKING.**

The Board of Cosmetology Examiners shall adopt rules to implement the statutory changes made in this act. The board must use the expedited process in Minnesota Statutes, section 14.389, to adopt these rules."

Amend the title as follows:

Page 1, line 3, delete "authorizing exempt" and insert "requiring expedited"

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2785, A bill for an act relating to state government; requiring a feasibility study on creating a central fund to pay for costs of providing accommodations to state employees with disabilities.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **STUDY OF CENTRAL ACCOMMODATION FUND.**

The commissioner of management and budget, in consultation with the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, must report to the legislature and the governor by January 5, 2015, on advantages and disadvantages of creating a central fund in the state treasury to pay for costs of providing accommodations to executive branch state employees with disabilities. The report must include:

(1) a summary of money spent by executive branch state agencies in fiscal years 2012 and 2013 for providing accommodations to executive branch state employees, to the extent that such expenditures can be determined; and

(2) recommendations for laws and policies needed to implement a central accommodation fund, or other recommendations related to best practices in provision of accommodations for employees with disabilities in the executive branch."

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

The report was adopted.

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

H. F. No. 2912, A bill for an act relating to liens; regulating liens on personal property; providing for the sale of a motor vehicle held by a licensed dealer; amending Minnesota Statutes 2012, section 514.21.

Reported the same back with the following amendments:

Page 2, line 3, before "If" insert "(a)"

Page 2, line 8, before "At" insert "(b)"

Page 2, line 13, delete everything after the period

Page 2, delete lines 14 and 15

Page 2, line 16, before "The" insert "(c)"

Page 2, after line 19, insert:

"(d) A dealer who sells a vehicle under this subdivision waives any further claim against the owner for any deficiency or other charges secured by the lien."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2925, A bill for an act relating to public safety; compensating exonerated persons; amending Minnesota Statutes 2012, section 609A.02, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 611.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 590.01, is amended by adding a subdivision to read:

Subd. 3a. **Order regarding eligibility for compensation based on exoneration.** (a) This subdivision applies to petitions based on innocence when the court vacates or reverses the judgment of conviction based on innocence, or orders a new trial because of new evidence of innocence and the state dismisses the charges or the defendant was found not guilty.

(b) Upon motion of the petitioner or defendant or upon its own motion, the court shall determine whether the petitioner or defendant is entitled to a claim for compensation based on the elements under section 611.362, subdivision 1. If the court determines that the person is eligible, the court shall issue an order containing its finding and notify the petitioner or defendant of the right to file a claim for compensation under sections 611.362 to 611.369 and provide the person with a copy of those sections. The person must acknowledge receipt of the notice and a copy of those sections in writing or on the record before the court.

Sec. 2. Minnesota Statutes 2012, section 609A.02, subdivision 3, is amended to read:

Subd. 3. **Certain criminal proceedings ~~not resulting in conviction~~ resolved in favor of defendant.** (a) A petition may be filed under section 609A.03 to seal all records relating to an arrest, indictment or information, trial, or verdict if the records are not subject to section 299C.11, subdivision 1, paragraph (b), and if all pending actions or proceedings were resolved in favor of the petitioner. For purposes of this chapter, a verdict of not guilty by reason of mental illness is not a resolution in favor of the petitioner.

(b) For the purposes of this chapter, an action or proceeding is resolved in favor of the petitioner, if the petitioner was granted an order for relief based on innocence under section 590.01.

Sec. 3. **[611.362] CLAIM FOR COMPENSATION FOR A PERSON WHO IS EXONERATED.**

Subdivision 1. **Elements.** (a) For purposes of issuing an order under section 590.01, subdivision 3a, and awarding damages under sections 611.362 to 611.369, a claim for compensation arises if:

(1) a person has been convicted of a crime and served any part of the imposed sentence in prison;

(2) in cases where the person was convicted of multiple charges arising out of the same behavioral incident, the person was exonerated based on innocence for all of those charges;

(3) the person did not commit or induce another person to commit perjury, or fabricate evidence to cause or bring about the conviction; and

(4) the person was not serving a term of imprisonment for another crime at the same time, provided that if the person served additional time in prison due to the conviction that is the basis of the claim, the person may make a claim for that portion of time served in prison during which the person was serving no other sentence.

(b) A claimant may make a claim only for that portion of time served in prison during which they were serving no other sentence.

(c) A confession or admission later found to be false or a guilty plea to a crime the claimant did not commit does not constitute bringing about the claimant's conviction for purposes of paragraph (a), clause (3).

Subd. 2. **Respondent; filing requirement.** The state must be named as the respondent. A claimant shall serve the claim and all documents on the state through the Office of Minnesota Management and Budget and file the claim with the Supreme Court. The claim must include a copy of the order from the district court under section 590.01, subdivision 3a.

Subd. 3. **Agent for claimant.** If the person entitled to file a claim is incapacitated and incapable of filing the claim or is a minor or nonresident of the state, the claim may be filed on behalf of the claimant by a court-appointed guardian, the parent or guardian of a minor, or an authorized agent.

Subd. 4. **Statute of limitations.** A claimant may commence a claim under this section within two years after the date the person is exonerated, provided that if the person does not receive the notice required under section 590.01, subdivision 3a, the person may commence a claim within three years of that date. An action by the state challenging or appealing the grant of judicial relief to the claimant tolls the two-year period. Persons released from custody on grounds consistent with innocence before the effective date of this section may commence an action under this section within two years of the effective date.

#### Sec. 4. **[611.363] COMPENSATION PANEL.**

Subdivision 1. **Appointment.** Within 30 business days after the claim is filed with the Supreme Court, the chief justice of the Supreme Court shall appoint a compensation panel of three attorneys or judges who are responsible for determining the amount of damages to be awarded. Members of the panel must have experience in legal issues involving the settlement of tort claims and the determination of damages or criminal justice and sentencing.

Subd. 2. **Compensation of panel members.** Members of the panel are entitled to the compensation authorized for members of boards under section 15.0575, subdivision 3.

Subd. 3. **Payment of expenses.** The state court administrator shall forward documentation of expenses and administrative costs of the panel to the commissioner of management and budget for payment of those amounts from appropriations available for this purpose.

#### Sec. 5. **[611.364] PREHEARING SETTLEMENTS AND HEARING.**

Subdivision 1. **Prehearing settlements.** The panel may set a prehearing settlement conference date. At this conference, the parties must make a good faith attempt to reach a settlement in the case. If the parties agree, they may present the panel with a joint motion for summary disposition and no further hearings are required. If a settlement document is approved by the panel, it has the same effect as an award under section 611.365, for all purposes of that section.

Subd. 2. **Hearing.** (a) If the parties are unable to reach a settlement, the panel must hold an evidentiary hearing and consider any evidence and argument submitted by the parties, including affidavits, documentation, and oral and written arguments. The panel is bound by any fact or damage amount established by the stipulation of the parties.

(b) Hearings and records relating to the hearing are open to the public, except where, in the interest of justice, the panel orders a hearing closed or a record sealed.

Sec. 6. **[611.365] DAMAGES.**

Subdivision 1. **General.** A claimant is entitled to the damages provided for in this section.

Subd. 2. **Monetary damages; attorney fees.** (a) A claimant is entitled to not less than \$50,000 for each year of imprisonment, and not less than \$25,000 for each year served on supervised release or as a registered sex offender, to be prorated for partial years served. In addition, the claimant must be reimbursed for all restitution, assessments, fees, court costs, and other sums paid by the claimant as required by the judgment and sentence. In calculating additional monetary damages, the panel shall consider:

(1) economic damages, including reasonable attorney fees, lost wages, reimbursement for costs associated with the claimant's criminal defense, and efforts to prove innocence;

(2) reimbursement for medical and dental expenses that the claimant already incurred and future unpaid expenses expected to be incurred related to the claimant's imprisonment;

(3) noneconomic damages for personal physical injuries or sickness and any nonphysical injuries or sickness incurred during or as a result of imprisonment;

(4) reimbursement for any tuition and fees paid for each semester successfully completed by the claimant in an educational program, up to the equivalent value of a four-year degree at a public university, and reasonable reimbursement for employment skills and development training for the claimant as well as future unpaid costs for education and training not to exceed the anticipated cost of a four-year degree at a public university;

(5) reimbursement for paid or unpaid child support payments owed by the claimant that became due, and interest on child support arrearages that accrued, during the time served in prison; and

(6) reimbursement for paid or unpaid reintegrative expenses, if not provided for under section 611.367, for any reasonable costs incurred by the claimant for immediate services secured upon exoneration and release, including housing, transportation and subsistence, reintegrative services, and psychological, physical, and dental health care costs incurred by the claimant for the time period between release from wrongful imprisonment and the date of an award of damages under this section.

(b) The panel shall award the claimant reasonable attorney fees incurred in bringing a claim under sections 611.362 to 611.369 and in obtaining an order of eligibility for compensation based on exoneration under chapter 590.

Subd. 3. **No limit.** There is no limit on the amount of damages that may be awarded under this section.

Subd. 4. **Notice and acceptance of award.** A claimant who is awarded damages under this section must be provided with a written notice of the award. A claimant's acceptance of an award, compromise, or settlement must be in writing and is final and conclusive on the claimant.

Subd. 5. **Subsequent damage awards.** Any future damages awarded to the claimant resulting from an action by the claimant against the state or a political subdivision of this state based on the same subject must be offset by the damage award received under this section.

Subd. 6. **No offsets.** The damage award must not be offset by:

(1) any expenses incurred by the state or any political subdivision of the state, including expenses incurred to secure the claimant's custody or to feed, clothe, or provide medical services for the claimant; or

(2) the value of any services or reduction in fees for services, or the value of services to be provided to the claimant that may be awarded to the claimant under this section.

Sec. 7. **[611.366] JUDICIAL REVIEW.**

A party aggrieved by an award of damages under section 611.365 is entitled to judicial review of the decision as provided in sections 14.63 to 14.69; however, proceedings on a complaint filed under this section are not a contested case within the meaning of chapter 14 and are not otherwise governed by chapter 14.

Sec. 8. **[611.368] COMPENSATING EXONERATED PERSONS; APPROPRIATIONS PROCESS.**

The compensation panel established in section 611.363 shall forward a final award of damages under section 611.365 to the commissioner of management and budget for payment of that amount from appropriations available for this purpose. To the extent available appropriations are insufficient, the Office of Minnesota Management and Budget shall include this amount in a budget request submitted to the legislature during the next legislative session.

Sec. 9. **[611.369] SHORT TITLE.**

Sections 611.362 to 611.369 shall be cited as the Imprisonment and Exoneration Remedies Act."

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Civil Law.

The report was adopted.

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

H. F. No. 2939, A bill for an act relating to labor and employment; providing employee protections in joint powers agreements; proposing coding for new law in Minnesota Statutes, chapter 179A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[179A.60] JOINT POWERS AGREEMENTS.**

Subdivision 1. **Definition.** For the purposes of this section, "entity" means any organization, except for service delivery authorities created under section 402A.35, acting on behalf of two or more home rule charter or statutory cities, school districts, counties, or other governmental units or boards under any law providing for joint and cooperative action between governmental units or bodies. Governmental units that form an entity are members of the entity.

Subd. 2. **Application.** Notwithstanding the provisions of section 179A.12 or any other law, this section governs the initial certification and decertification, if any, of exclusive representatives for an entity. Employees of an entity are public employees and joint powers entities are public employers under section 179A.03.

Subd. 3. **Certification and decertification.** The commissioner of the Bureau of Mediation Services shall follow the process in section 179A.102, subdivisions 1 to 4, in determining the initial certification and decertification, if any, of exclusive representatives for an appropriate unit of employees of a newly formed joint powers entity.

Subd. 4. **Existing collective bargaining agreements.** The terms and conditions of collective bargaining agreements covering employees of members of the new joint powers entity prior to their employment by the joint powers entity shall govern the employment of employees who become employees of a joint powers entity until a successor agreement becomes effective after the formation of the joint powers entity, and shall be enforced by the exclusive representative certified to represent the entity member's employees until a new exclusive representative is certified.

Subd. 5. **Contract negotiations and administration.** The exclusive representative of employees of a new joint powers entity shall upon certification be responsible to negotiate a new collective bargaining agreement, file grievances, and otherwise administer the prior collective bargaining agreement until a new collective bargaining agreement is agreed to, and to receive dues or fair share fees.

Subd. 6. **Investigation and discipline.** If an employee who is transferred from the employment of a member to the employment of a joint powers entity is under investigation by the member of the entity at the time of the transfer and would be subject to discipline by the member of the entity, the new joint powers entity may discipline the employee for just cause and the employee's union may file a grievance under the collective bargaining agreement the employee was covered by as an employee of a member of the entity, or the new collective bargaining agreement after it is agreed to.

Subd. 7. **Entity not created.** Notwithstanding this section, a contract between two local government units does not create a joint powers entity under this section, if under the contract, no employee's employment is terminated and employees continue to work for the same employer, continue to be covered by the same collective bargaining agreement, and continue to do the same or similar work.

Subd. 8. **Employee personnel files.** A new entity shall be entitled to receive from a member of the entity, at no charge, copies of all public data maintained by the member regarding all employees of the member who become employees of the entity.

Subd. 9. **Seniority.** Upon creation of a new entity, seniority shall be based on the employee's continuous service with a member of the entity and the employee's service with the entity.

Subd. 10. **Layoffs and recalls.** Layoffs and recalls shall be based on seniority as defined herein. Recall rights shall continue to apply until a new collective bargaining agreement is agreed to by the parties.

**EFFECTIVE DATE.** This section is effective January 15, 2015."

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2945, A bill for an act relating to state government; modifying investment reporting; amending Minnesota Statutes 2012, section 471.6175, subdivision 4.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

Mahoney from the Committee on Jobs and Economic Development Finance and Policy to which was referred:

H. F. No. 2947, A bill for an act relating to labor and industry; making housekeeping changes to the Office of Combative Sports and Construction Codes and Licensing Division; removing obsolete, redundant, and unnecessary laws and rules; making conforming changes; amending Minnesota Statutes 2012, sections 181.171, subdivision 1; 182.6553, subdivisions 1, 2; 184.21, subdivision 4; 184.24, subdivision 1; 184.41; 326B.092, subdivisions 3, 7; 326B.094, subdivisions 2, 3; 326B.106, subdivisions 4, 7; 326B.109, subdivision 2; 326B.135, subdivision 4; 326B.139; 326B.194; 326B.37, subdivision 11; 326B.46, subdivision 1b; 326B.805, subdivision 4; 326B.811, subdivision 1; 326B.84; 326B.99, subdivision 2; 341.21, subdivisions 2a, 4, 4f, by adding a subdivision; 341.28, subdivision 3; 341.30, subdivisions 1, 2; 341.32, subdivision 1; 341.33; Minnesota Statutes 2013 Supplement, sections 177.27, subdivision 4; 326B.184, subdivision 2; 326B.49, subdivision 3; 341.29; 341.30, subdivision 4; 341.32, subdivision 2; 341.321; repealing Minnesota Statutes 2012, sections 175.006, subdivision 1; 175.08; 175.14; 175.26; 181.12; 181.9435, subdivision 2; 184.22, subdivision 1; 184.25; 184.26; 184.27; 184.28; 184.29; 184.30, subdivision 1; 184.32; 184.33; 184.34; 184.35; 184.36; 184.38, subdivisions 2, 16, 17; 184.40; 326B.091, subdivision 6; 326B.106, subdivision 10; 326B.169; 326B.181; 471.465; 471.466; 471.467; 471.468; 609B.137; Minnesota Rules, parts 5200.0510; 5200.0520; 5200.0530; 5200.0540; 5200.0550; 5200.0560; 5200.0570; 5200.0750; 5200.0760.

Reported the same back with the following amendments:

Page 11, delete section 6

Page 14, after line 3, insert:

"Sec. 8. Minnesota Statutes 2012, section 326B.978, is amended by adding a subdivision to read:

Subd. 4a. **Continuing education.** The commissioner may require continuing education prior to the renewal of any license. Before requiring continuing education, the commissioner shall adopt rules that specify the continuing education requirements."

Renumber the sections in sequence

Amend the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 2950, A bill for an act relating to human services; removing obsolete provisions from statute relating to children and family services, health care, chemical and mental health services, continuing care, and operations; modifying provisions governing the elderly waiver, the alternative care program, and mental health services for children; amending Minnesota Statutes 2012, sections 13.46, subdivision 4; 245.4871, subdivisions 3, 6, 27; 245.4873, subdivision 2; 245.4874, subdivision 1; 245.4881, subdivisions 3, 4; 245.4882, subdivision 1; 245A.40, subdivision 8; 245C.04, subdivision 1; 245C.05, subdivision 5; 246.01; 254B.05, subdivision 2; 256.01, subdivision 14b; 256.963, subdivision 2; 256.969, subdivision 9; 256B.0913, subdivisions 5a, 14; 256B.0915, subdivisions 3c, 3d, 3f, 3g; 256B.0943, subdivisions 8, 10, 12; 256B.69, subdivisions 2, 4b, 5, 5a, 5b, 6b, 6d, 17, 26, 29, 30; 256B.692, subdivisions 2, 5; 256D.02, subdivision 11; 256D.04; 256D.045; 256D.07; 256I.04, subdivision 3;

256I.05, subdivision 1c; 256J.425, subdivision 4; 518A.65; 626.556, subdivision 3c; Minnesota Statutes 2013 Supplement, sections 245A.03, subdivision 7; 245A.40, subdivision 5; 245A.50, subdivision 3; 256B.0943, subdivisions 2, 7; 256B.69, subdivisions 5c, 28; 256B.76, subdivision 4; 256D.02, subdivision 12a; Laws 2013, chapter 108, article 3, section 48; repealing Minnesota Statutes 2012, sections 4.47; 119A.04, subdivision 1; 119B.035; 119B.09, subdivision 2; 119B.23; 119B.231; 119B.232; 245.0311; 245.0312; 245.072; 245.4861; 245.487, subdivisions 4, 5; 245.4871, subdivisions 7, 11, 18, 25; 245.4872; 245.4873, subdivisions 3, 6; 245.4875, subdivisions 3, 6, 7; 245.4883, subdivision 1; 245.490; 245.492, subdivisions 6, 8, 13, 19; 245.4932, subdivisions 2, 3, 4; 245.4933; 245.494; 245.63; 245.69, subdivision 1; 245.714; 245.715; 245.717; 245.718; 245.721; 245.77; 245.827; 245.981; 245A.02, subdivision 7b; 245A.09, subdivision 12; 245A.11, subdivision 5; 245A.655; 246.0135; 246.016; 246.023, subdivision 1; 246.16; 246.28; 246.325; 246.70; 246.71; 246.711; 246.712; 246.713; 246.714; 246.715; 246.716; 246.717; 246.718; 246.719; 246.72; 246.721; 246.722; 253B.22; 254.01; 254.03; 254.04; 254.06; 254.07; 254.09; 254.10; 254.11; 254A.05, subdivision 1; 254A.07, subdivisions 1, 2; 254A.16, subdivision 1; 254B.01, subdivision 1; 254B.04, subdivision 3; 256.01, subdivisions 3, 14, 14a; 256.959; 256.964; 256.9691; 256.971; 256.975, subdivision 3; 256.9753, subdivision 4; 256.9792; 256B.04, subdivision 16; 256B.043; 256B.0636; 256B.0656; 256B.0657; 256B.075, subdivision 4; 256B.0757, subdivision 7; 256B.0913, subdivision 9; 256B.0916, subdivisions 6, 6a; 256B.0928; 256B.19, subdivision 3; 256B.431, subdivisions 28, 31, 33, 34, 37, 38, 39, 40, 41, 43; 256B.434, subdivision 19; 256B.440; 256B.441, subdivisions 46, 46a; 256B.491; 256B.501, subdivisions 3a, 3b, 3h, 3j, 3k, 3l, 5e; 256B.5016; 256B.503; 256B.53; 256B.69, subdivisions 5e, 6c, 24a; 256B.692, subdivision 10; 256D.02, subdivision 19; 256D.05, subdivision 4; 256D.46; 256I.05, subdivisions 1b, 5; 256I.07; 256J.24, subdivision 10; 256K.35; 259.85, subdivisions 2, 3, 4, 5; 518A.53, subdivision 7; 518A.74; 626.557, subdivision 16; 626.5593; Minnesota Statutes 2013 Supplement, sections 246.0141; 246.0251; 254.05; 254B.13, subdivision 3; 256B.501, subdivision 5b; 256C.29; 259.85, subdivision 1; Minnesota Rules, parts 9549.0020, subparts 2, 12, 13, 20, 23, 24, 25, 26, 27, 30, 31, 32, 33, 34, 35, 36, 38, 41, 42, 43, 44, 46, 47; 9549.0030; 9549.0035, subparts 4, 5, 6; 9549.0036; 9549.0040; 9549.0041, subparts 1, 2, 3, 4, 5, 7, 8, 9, 10, 11, 12, 13, 14, 15; 9549.0050; 9549.0051, subparts 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14; 9549.0053; 9549.0054; 9549.0055, subpart 4; 9549.0056; 9549.0058; 9549.0059; 9549.0060, subparts 1, 2, 3, 8, 9, 12, 13; 9549.0061; 9549.0070, subparts 1, 4.

Reported the same back with the following amendments:

Page 14, line 22, delete "119B.035;"

Page 35, line 21, delete "256B.043;"

Page 35, line 22, delete "256B.0636;"

Page 40, line 20, reinstate the stricken language

Page 42, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 2012, section 246.0135, is amended to read:

**246.0135 OPERATION OF REGIONAL TREATMENT CENTERS.**

(a) The commissioner of human services is prohibited from closing any regional treatment center or state-operated nursing home or any program at any of the regional treatment centers or state-operated nursing homes, without specific legislative authorization. For persons with developmental disabilities who move from one regional treatment center to another regional treatment center, the provisions of section 256B.092, subdivision 10, must be followed for both the discharge from one regional treatment center and admission to another regional treatment center, except that the move is not subject to the consensus requirement of section 256B.092, subdivision 10, paragraph (b).

(b) Prior to closing or downsizing a regional treatment center, the commissioner of human services shall be responsible for assuring that community-based alternatives developed in response are adequate to meet the program needs identified by each county within the catchment area and do not require additional local county property tax expenditures.

(c) The nonfederal share of the cost of alternative treatment or care developed as the result of the closure of a regional treatment center, including costs associated with fulfillment of responsibilities under chapter 253B shall be paid from state funds appropriated for purposes specified in section 246.013.

~~(d) Counties in the catchment area of a regional treatment center which has been closed or downsized may not at any time be required to pay a greater cost of care for alternative care and treatment than the county share set by the commissioner for the cost of care provided by regional treatment centers.~~

~~(e) The commissioner may not divert state funds used for providing for care or treatment of persons residing in a regional treatment center for purposes unrelated to the care and treatment of such persons.~~

Sec. 10. Minnesota Statutes 2012, section 246.325, is amended to read:

**246.325 GARDEN OF REMEMBRANCE.**

The cemetery located on the grounds of the Cambridge State Hospital shall be known as the Garden of Remembrance. ~~The commissioner of human services shall approve the wording and design for a sign at the cemetery indicating its name. The commissioner may approve a temporary sign before the permanent sign is completed and installed. All costs related to the sign must be paid with nonstate funds.~~

Page 46, after line 14, insert:

"Sec. 13. Minnesota Statutes 2013 Supplement, section 256B.0943, subdivision 1, is amended to read:

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

(a) "Children's therapeutic services and supports" means the flexible package of mental health services for children who require varying therapeutic and rehabilitative levels of intervention. The services are time-limited interventions that are delivered using various treatment modalities and combinations of services designed to reach treatment outcomes identified in the individual treatment plan.

(b) "Clinical supervision" means the overall responsibility of the mental health professional for the control and direction of individualized treatment planning, service delivery, and treatment review for each client. A mental health professional who is an enrolled Minnesota health care program provider accepts full professional responsibility for a supervisee's actions and decisions, instructs the supervisee in the supervisee's work, and oversees or directs the supervisee's work.

(c) "County board" means the county board of commissioners or board established under sections 402.01 to 402.10 or 471.59.

(d) "Crisis assistance" has the meaning given in section 245.4871, subdivision 9a.

(e) "Culturally competent provider" means a provider who understands and can utilize to a client's benefit the client's culture when providing services to the client. A provider may be culturally competent because the provider is of the same cultural or ethnic group as the client or the provider has developed the knowledge and skills through training and experience to provide services to culturally diverse clients.

(f) "Day treatment program" for children means a site-based structured mental health program consisting of ~~group~~ psychotherapy for ~~more than three~~ or more individuals and ~~other intensive therapeutic services~~ individual or group skills training provided by a multidisciplinary team, under the clinical supervision of a mental health professional.

(g) "Diagnostic assessment" has the meaning given in Minnesota Rules, part 9505.0372, subpart 1.

(h) "Direct service time" means the time that a mental health professional, mental health practitioner, or mental health behavioral aide spends face-to-face with a client and the client's family. Direct service time includes time in which the provider obtains a client's history or provides service components of children's therapeutic services and supports. Direct service time does not include time doing work before and after providing direct services, including scheduling, maintaining clinical records, consulting with others about the client's mental health status, preparing reports, receiving clinical supervision, and revising the client's individual treatment plan.

(i) "Direction of mental health behavioral aide" means the activities of a mental health professional or mental health practitioner in guiding the mental health behavioral aide in providing services to a client. The direction of a mental health behavioral aide must be based on the client's individualized treatment plan and meet the requirements in subdivision 6, paragraph (b), clause (5).

(j) "Emotional disturbance" has the meaning given in section 245.4871, subdivision 15. For persons at least age 18 but under age 21, mental illness has the meaning given in section 245.462, subdivision 20, paragraph (a).

(k) "Individual behavioral plan" means a plan of intervention, treatment, and services for a child written by a mental health professional or mental health practitioner, under the clinical supervision of a mental health professional, to guide the work of the mental health behavioral aide.

(l) "Individual treatment plan" has the meaning given in section 245.4871, subdivision 21.

(m) "Mental health behavioral aide services" means medically necessary one-on-one activities performed by a trained paraprofessional to assist a child retain or generalize psychosocial skills as taught by a mental health professional or mental health practitioner and as described in the child's individual treatment plan and individual behavior plan. Activities involve working directly with the child or child's family as provided in subdivision 9, paragraph (b), clause (4).

(n) "Mental health practitioner" means an individual as defined in section 245.4871, subdivision 26.

(o) "Mental health professional" means an individual as defined in section 245.4871, subdivision 27, clauses (1) to (6), or tribal vendor as defined in section 256B.02, subdivision 7, paragraph (b).

(p) "Mental health service plan development" includes:

(1) the development, review, and revision of a child's individual treatment plan, as provided in Minnesota Rules, part 9505.0371, subpart 7, including involvement of the client or client's parents, primary caregiver, or other person authorized to consent to mental health services for the client, and including arrangement of treatment and support activities specified in the individual treatment plan; and

(2) administering standardized outcome measurement instruments, determined and updated by the commissioner, as periodically needed to evaluate the effectiveness of treatment for children receiving clinical services and reporting outcome measures, as required by the commissioner.

(q) "Skills training" means individual, family, or group training, delivered by or under the direction of a mental health professional, designed to facilitate the acquisition of psychosocial skills that are medically necessary to rehabilitate the child to an age-appropriate developmental trajectory heretofore disrupted by a psychiatric illness or to self-monitor, compensate for, cope with, counteract, or replace skills deficits or maladaptive skills acquired over the course of a psychiatric illness. Skills training is subject to the following requirements:

- (1) a mental health professional or a mental health practitioner must provide skills training;
- (2) the child must always be present during skills training; however, a brief absence of the child for no more than ten percent of the session unit may be allowed to redirect or instruct family members;
- (3) skills training delivered to children or their families must be targeted to the specific deficits or maladaptations of the child's mental health disorder and must be prescribed in the child's individual treatment plan;
- (4) skills training delivered to the child's family must teach skills needed by parents to enhance the child's skill development and to help the child use in daily life the skills previously taught by a mental health professional or mental health practitioner and to develop or maintain a home environment that supports the child's progressive use skills;
- (5) group skills training may be provided to multiple recipients who, because of the nature of their emotional, behavioral, or social dysfunction, can derive mutual benefit from interaction in a group setting, which must be staffed as follows:
  - (i) one mental health professional or one mental health practitioner under supervision of a licensed mental health professional must work with a group of four to eight clients; or
  - (ii) two mental health professionals or two mental health practitioners under supervision of a licensed mental health professional, or one professional plus one practitioner must work with a group of nine to 12 clients."

Page 50, line 21, after the second semicolon, insert "245.652;"

Page 50, delete line 22 and insert "245.77; 245.821; 245.827; 246.012; 246.016; 246.023, subdivision 1; 246.28;"

Page 50, delete line 23

Page 50, line 24, delete everything before "253B.22;" and insert "251.045; 252.05; 252.07; 252.09;"

Page 50, line 27, delete "246.0141;"

Page 53, after line 29, insert:

"Sec. 7. Minnesota Statutes 2013 Supplement, section 517.04, is amended to read:

**517.04 PERSONS AUTHORIZED TO PERFORM CIVIL MARRIAGES.**

Civil marriages may be solemnized throughout the state by an individual who has attained the age of 21 years and is a judge of a court of record, a retired judge of a court of record, a court administrator, a retired court administrator with the approval of the chief judge of the judicial district, a former court commissioner who is employed by the court system or is acting pursuant to an order of the chief judge of the commissioner's judicial district, ~~the residential school administrators of the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind,~~ a licensed or ordained minister of any religious denomination, or by any mode recognized in section 517.18. For purposes of this section, a court of record includes the Office of Administrative Hearings under section 14.48.

Sec. 8. Minnesota Statutes 2012, section 595.06, is amended to read:

**595.06 CAPACITY OF WITNESS.**

When ~~an infant, or a person apparently of weak intellect,~~ is produced as a witness, the court may examine the ~~infant or witness~~ person to ascertain capacity, and whether the person understands the nature and obligations of an oath, and the court may inquire of any person what peculiar ceremonies the person deems most obligatory in taking an oath."

Page 54, line 4, after "sections" insert "256B.31;" and before "and" insert "256C.05;"

Page 54, line 10, delete "9549.0058; 9549.0059;"

Page 61, delete section 3

Page 62, delete sections 4 and 5

Page 67, line 3, after "12;" insert "and" and delete "; and 245A.655"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "statute" insert "and rule"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Civil Law.

The report was adopted.

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

H. F. No. 2972, A bill for an act relating to public safety; appropriating funds from the fire safety account; authorizing the fire service advisory committee to continue indefinitely; amending Minnesota Statutes 2012, section 299F.012, subdivisions 1, 2.

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

The report was adopted.

Mahoney from the Committee on Jobs and Economic Development Finance and Policy to which was referred:

H. F. No. 2976, A bill for an act relating to workforce development; modifying program accountability requirements for economic development programs; requiring measurement standards for workforce program outcomes; requiring reports; appropriating money; amending Minnesota Statutes 2012, sections 116J.997; 116L.98.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns under "Appropriations" are added to or, if shown in parentheses, subtracted from the appropriations in Laws 2013, chapter 85, article 1, or other law to the specified agencies. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. Appropriations for the fiscal year ending June 30, 2014, are effective the day following final enactment. Reductions may be taken in either fiscal year.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2014</u></b>	<b><u>2015</u></b>

Sec. 2. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation**

<b><u>\$0</u></b>	<b><u>\$38,350,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Business and Community Development**

<b><u>0</u></b>	<b><u>36,250,000</u></b>
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(a) \$25,000,000 in fiscal year 2015 is for grants for the development of broadband infrastructure under Minnesota Statutes, section 116J.395, or to supplement revenues raised by bonds sold by local units of government for broadband infrastructure development. This is a onetime appropriation and is available until June 30, 2017.

(b) \$450,000 in fiscal year 2015 is from the general fund for one or more contracts with an independent organization to continue to:

(1) collect broadband deployment data from Minnesota providers, verify its accuracy through on-the-ground testing, and create state and county maps available to the public showing the availability of broadband service at various upload and download speeds throughout Minnesota, in order to measure progress in achieving the state's broadband goals established in Minnesota Statutes, section 237.012;

(2) analyze the deployment data collected to help inform future investments in broadband infrastructure; and

(3) conduct business and residential surveys that measure broadband adoption and use in the state.

Data provided by a broadband provider to the contractor under this paragraph is nonpublic data under Minnesota Statutes, section 13.02, subdivision 9. Maps produced under this paragraph are public data under Minnesota Statutes, section 13.03.

(c) \$1,000,000 in fiscal year 2015 is from the general fund for a grant to the Southwest Initiative Foundation for business revolving loans or other lending programs. This is a onetime appropriation and is available until expended.

(d) \$1,000,000 in fiscal year 2015 is from the general fund for a grant to the West Central Initiative Foundation for business revolving loans or other lending programs. This is a onetime appropriation and is available until expended.

(e) \$1,000,000 in fiscal year 2015 is from the general fund for a grant to the Southern Minnesota Initiative Foundation for business revolving loans or other lending programs. This is a onetime appropriation and is available until expended.

(f) \$1,000,000 in fiscal year 2015 is from the general fund for a grant to the Northwest Minnesota Foundation for business revolving loans or other lending programs. This is a onetime appropriation and is available until expended.

(g) \$1,000,000 in fiscal year 2015 is from the general fund for a grant to the Initiative Foundation for business revolving loans or other lending programs. This is a onetime appropriation and is available until expended.

(h) \$1,000,000 in fiscal year 2015 is from the general fund for a grant to the Northland Foundation for business revolving loans or other lending programs. This is a onetime appropriation and is available until expended.

(i) \$1,000,000 in fiscal year 2015 is from the general fund for the urban challenge grants program under Minnesota Statutes, section 116M.18. Funds available under this section must be allocated as follows: (1) 50 percent of the funds must be allocated for projects in the counties of Dakota, Ramsey, and Washington; and (2) 50 percent of the funds must be allocated for projects in the counties of Anoka, Carver, Hennepin, and Scott.

(j) \$500,000 in fiscal year 2015 is from the general fund for grants to small business development centers under Minnesota Statutes, section 116J.68. Funds made available under this section may be used to match funds under the federal Small Business Development Center (SBDC) program under United States Code.

title 15, section 648, to provide consulting and technical services, or to build additional SBDC network capacity to serve entrepreneurs and small businesses. The commissioner shall allocate funds equally among the nine regional centers and lead center. This is a onetime appropriation and is available until expended.

(k) \$750,000 in fiscal year 2015 is from the general fund for the innovation voucher pilot program in article 2, section 9. This is a onetime appropriation and is available until expended. Of this amount, up to five percent may be used for administration. Vouchers require a 50 percent match by recipients.

(l) \$1,600,000 in fiscal year 2015 is from the general fund for the Minnesota Jobs Skills Partnership program under Minnesota Statutes, section 116L.02. Of this appropriation, \$600,000 is onetime and is available until expended and \$1,000,000 is added to the agency's base budget each year for fiscal years 2016 and 2017.

(m)(1) \$500,000 in fiscal year 2015 is from the general fund for grants to Women Venture and the Women's Business Center at Northeast Entrepreneur Fund to facilitate and promote the creation and expansion of women-owned businesses in Minnesota. Funds available under this paragraph must be allocated equally among grant recipients. This is a onetime appropriation. Grant funds may be used only for the purposes under clause (2) except that up to ten percent of each grant award may be used by grant recipients for administrative costs.

(2) Grants awarded under this paragraph must be used for: entrepreneurial training, mentoring, and technical assistance for the startup or expansion of eligible women-owned businesses; development of networks of potential investors for eligible women-owned businesses; and development of recruitment programs for mid-career women with an interest in starting eligible women-owned businesses.

(3) For the purposes of this paragraph, "eligible women-owned business" means a business entity: that is at least 51 percent female-owned or, in the case of a publicly traded business, at least 51 percent of the stock is female-owned; whose management and daily operations are controlled by women; that is organized for profit; that is projected to generate at least \$500,000 in annual revenue and create at least ten jobs, each of which pays an annual income equal to at least 200 percent of the federal poverty guideline adjusted for a family size of four; and that is in the field of construction; transportation; warehousing; agriculture; mining; finance; insurance; professional, technical, or scientific services; technology; or other industries with businesses meeting the revenue and job creation requirements of this clause.

(4) If an appropriation for this purpose is enacted more than once in the 2014 legislative session, the appropriation must be given effect only once.

(n) \$450,000 in fiscal year 2015 is from the general fund for the Office of Regenerative Medicine under Minnesota Statutes, sections 116J.886 to 116J.8862.

**Subd. 3. Workforce Development**

0

1,600,000

(a) \$75,000 in fiscal year 2015 is from the general fund for workforce program outcome activities under Minnesota Statutes, section 116L.98. Up to five percent of this appropriation may be used by the commissioner for administration of the program.

(b) \$500,000 in fiscal year 2015 is from the general fund to develop and implement the women and nontraditional jobs grant program under Minnesota Statutes, section 116L.99. Funds available under this section must not supplant other funds available for the same purposes. If an appropriation for this purpose is enacted more than once in the 2014 legislative session, the appropriation must be given effect only once.

(c) \$1,000,000 in fiscal year 2015 is from the general fund for training rebates under article 2, section 11. This is a onetime appropriation and is available until expended.

(d) \$25,000 in fiscal year 2015 is from the general fund for the information technology apprenticeship pilot program under article 2, section 13.

**Subd. 4. General Support Services**

0

500,000

\$500,000 in fiscal year 2015 is for establishing and operating the interagency Olmstead Implementation Office. This is a onetime appropriation and is available until expended.

**Sec. 3. DEPARTMENT OF LABOR AND INDUSTRY**

**Subdivision 1. Total Appropriation**

\$0

\$275,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Labor Standards and Apprenticeship**

0

250,000

(a) \$250,000 in fiscal year 2015 is from the general fund for the labor education advancement program under Minnesota Statutes, section 178.11, to educate, promote, assist, and support women to enter apprenticeship programs in high-wage, high-demand nontraditional occupations. Funds available under this paragraph

must not supplant other funds available for the same purpose. If an appropriation for this purpose is enacted more than once in the 2014 legislative session, the appropriation must be given effect only once.

(b) The base for the department is increased by \$70,000 each year for implementing and administering a minimum wage inflation adjustment. This adjustment is available only if a law is enacted in the 2014 legislative session that includes an automatic inflation adjustment to the state minimum wage. The availability of this appropriation is effective in the same fiscal year that the inflation adjustment is first effective.

(c) \$25,000 in fiscal year 2015 is from the general fund for the precision manufacturing and health care services pilot program under article 2, section 12.

Sec. 4. Laws 2013, chapter 85, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. <b>Business and Community Development</b>	53,642,000	45,407,000
Appropriations by Fund		
General	52,942,000	44,707,000
Remediation	700,000	700,000

(a)(1) \$15,000,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until spent.

(2) Of the amount available under clause (1), up to \$3,000,000 in fiscal year 2014 is for a loan to facilitate initial investment in the purchase and operation of a biopharmaceutical manufacturing facility. This loan is not subject to the loan limitations under Minnesota Statutes, section 116J.8731, and shall be forgiven by the commissioner of employment and economic development upon verification of meeting performance goals. Purchases related to and for the purposes of this loan award must be made between January 1, 2013, and June 30, 2015. The amount under this clause is available until expended.

(3) Of the amount available under clause (1), up to \$2,000,000 is available for subsequent investment in the biopharmaceutical facility project in clause (2). The amount under this clause is available until expended. Loan thresholds under clause (2) must be achieved and maintained to receive funding. Loans are not subject to the loan limitations under Minnesota Statutes, section 116J.8731, and shall be forgiven by the commissioner of employment and economic development upon verification of

meeting performance goals. Purchases related to and for the purposes of loan awards must be made during the biennium the loan was received.

(4) Notwithstanding any law to the contrary, the biopharmaceutical manufacturing facility in this paragraph shall be deemed eligible for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748, by having at least \$25,000,000 in capital investment and 190 retained employees.

(5) For purposes of clauses (1) to (4), "biopharmaceutical" and "biologics" are interchangeable and mean medical drugs or medicinal preparations produced using technology that uses biological systems, living organisms, or derivatives of living organisms, to make or modify products or processes for specific use. The medical drugs or medicinal preparations include but are not limited to proteins, antibodies, nucleic acids, and vaccines.

(b) \$12,000,000 each year is for the Minnesota job creation fund under Minnesota Statutes, section 116J.8748. Of this amount, the commissioner of employment and economic development may use up to three percent for administrative expenses. This appropriation is available until spent. The base funding for this program shall be \$12,500,000 each year in the fiscal year 2016-2017 biennium.

(c) \$1,272,000 each year is from the general fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(d) \$700,000 each year is from the remediation fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558. This appropriation is available until expended.

(e) \$1,425,000 the first year and \$1,425,000 the second year are from the general fund for the business development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the business development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(f) \$4,195,000 each year is from the general fund for the Minnesota job skills partnership program under Minnesota Statutes, sections 116L.01 to 116L.17. If the appropriation for either year is insufficient, the appropriation for the other year is available. This appropriation is available until spent.

(g) \$6,000,000 the first year is from the general fund for the redevelopment program under Minnesota Statutes, section 116J.571. This is a onetime appropriation and is available until spent.

(h) \$12,000 each year is from the general fund for a grant to the Upper Minnesota Film Office.

(i) \$325,000 each year is from the general fund for the Minnesota Film and TV Board. The appropriation in each year is available only upon receipt by the board of \$1 in matching contributions of money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation, except that each year up to \$50,000 is available on July 1 even if the required matching contribution has not been received by that date.

(j) \$100,000 each year is for a grant to the Northern Lights International Music Festival.

(k) \$5,000,000 each year is from the general fund for a grant to the Minnesota Film and TV Board for the film production jobs program under Minnesota Statutes, section 116U.26. This appropriation is available until expended. The base funding for this program shall be \$1,500,000 each year in the fiscal year 2016-2017 biennium.

(l) \$375,000 each year is from the general fund for a grant to Enterprise Minnesota, Inc., for the small business growth acceleration program under Minnesota Statutes, section 116O.115. This is a onetime appropriation.

(m) \$160,000 each year is from the general fund for a grant to develop and implement a southern and southwestern Minnesota initiative foundation collaborative pilot project. Funds available under this paragraph must be used to support and develop entrepreneurs in diverse populations in southern and southwestern Minnesota. This is a onetime appropriation and is available until expended.

(n) \$100,000 each year is from the general fund for the Center for Rural Policy and Development. This is a onetime appropriation.

(o) \$250,000 each year is from the general fund for the Broadband Development Office.

(p) \$250,000 the first year is from the general fund for a onetime grant to the St. Paul Planning and Economic Development Department for neighborhood stabilization use in NSP3.

(q) \$1,235,000 the first year is from the general fund for a onetime grant to a city of the second class that is designated as an economically depressed area by the United States Department of Commerce. The appropriation is for economic development, redevelopment, and job creation programs and projects. This appropriation is available until expended.

(r) \$875,000 each year is from the general fund for the Host Community Economic Development Program established in Minnesota Statutes, section 116J.548.

(s) \$750,000 the first year is from the general fund for a onetime grant to the city of Morris for loans or grants to agricultural processing facilities for energy efficiency improvements. Funds available under this section shall be used to increase conservation and promote energy efficiency through retrofitting existing systems and installing new systems to recover waste heat from industrial processes and reuse energy. This appropriation is not available until the commissioner determines that ~~at least \$1,250,000~~ a match of \$750,000 is committed to the project from nonpublic sources. This appropriation is available until expended.

**EFFECTIVE DATE.** This section is effective retroactively from July 1, 2013.

Sec. 5. Laws 2013, chapter 85, article 1, section 3, subdivision 6, is amended to read:

Subd. 6. **Vocational Rehabilitation** 27,691,000 27,691,000

Appropriations by Fund

General	20,861,000	20,861,000
Workforce Development	6,830,000	6,830,000

(a) \$10,800,000 each year is from the general fund for the state's vocational rehabilitation program under Minnesota Statutes, chapter 268A.

(b) \$2,261,000 each year is from the general fund for grants to centers for independent living under Minnesota Statutes, section 268A.11.

(c) \$5,745,000 each year from the general fund and \$6,830,000 each year from the workforce development fund is for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15. The allocation of extended employment funds to Courage Center from July 1, 2012 to June 30, 2013 must be contracted to Allina Health systems from July 1, 2013 to June 30, ~~2014~~ 2015 to provide extended employment services in accordance with Minnesota Rules, parts 3300.2005 to 3300.2055.

(d) \$2,055,000 each year is from the general fund for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. The base appropriation for this program is \$1,555,000 each year in the fiscal year 2016-2017 biennium.

Sec. 6. Laws 2013, chapter 85, article 1, section 13, subdivision 5, is amended to read:

Subd. 5. **Telecommunications** 1,949,000 2,249,000

Appropriations by Fund

General	1,009,000	1,009,000
Special Revenue	940,000	1,240,000

\$940,000 in fiscal year 2014 and \$1,240,000 in fiscal year 2015 are appropriated to the commissioner from the telecommunication access fund for the following transfers. This appropriation is added to the department's base.

(1) \$500,000 in fiscal year 2014 and \$800,000 in fiscal year 2015 to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans;

(2) \$290,000 in fiscal year 2014 and \$290,000 in fiscal year 2015 to the chief information officer for the purpose of coordinating technology accessibility and usability; and

(3) \$150,000 in fiscal year 2014 and \$150,000 in fiscal year 2015 to the Legislative Coordinating Commission for captioning of legislative coverage and for a consolidated access fund for other state agencies. These transfers are subject to Minnesota Statutes, section 16A.281.

ARTICLE 2  
ECONOMIC DEVELOPMENT AND WORKFORCE DEVELOPMENT

Section 1. **[116J.394] DEFINITIONS.**

(a) For the purposes of sections 116J.394 to 116J.396, the following terms have the meanings given them.

(b) "Broadband" or "broadband service" has the meaning given in section 116J.39, subdivision 1, paragraph (b).

(c) "Broadband infrastructure" means networks of deployed telecommunications equipment and technologies necessary to provide high-speed Internet access and other advanced telecommunications services for end users.

(d) "Commissioner" means the commissioner of employment and economic development.

(e) "Last-mile infrastructure" means broadband infrastructure that serves as the final leg connecting the broadband service provider's network to the end-use customer's on-premises telecommunications equipment.

(f) "Middle-mile infrastructure" means broadband infrastructure that links a broadband service provider's core network infrastructure to last-mile infrastructure.

(g) "Political subdivision" means any county, city, town, school district, special district or other political subdivision, or public corporation.

(h) "Underserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet the state broadband goals of ten to 20 megabits per second download and five to ten megabits per second upload.

(i) "Unserved areas" means areas of Minnesota in which households or businesses lack access to wire-line broadband service at speeds that meet a Federal Communications Commission threshold of four megabits per second download and one megabit per second upload.

Sec. 2. **[116J.395] BORDER-TO-BORDER BROADBAND DEVELOPMENT GRANT PROGRAM.**

Subdivision 1. **Establishment.** A grant program is established under the Department of Employment and Economic Development to award grants to eligible applicants in order to promote the expansion of access to broadband service in unserved or underserved areas of the state.

Subd. 2. **Eligible expenditures.** Grants may be awarded under this section to fund the acquisition and installation of middle-mile and last-mile infrastructure that support broadband service scalable to speeds of at least 100 megabits per second download and 100 megabits per second upload.

Subd. 3. **Eligible applicants.** Eligible applicants for grants awarded under this section include:

(1) an incorporated business or a partnership;

(2) a political subdivision;

(3) an Indian tribe;

(4) a Minnesota nonprofit organization organized under chapter 317A;

(5) a Minnesota cooperative association organized under chapter 308A or 308B; and

(6) a Minnesota limited liability corporation organized under chapter 322B for the purpose of expanding broadband access.

Subd. 4. **Application process.** An eligible applicant must submit an application to the commissioner on a form prescribed by the commissioner. The commissioner shall develop administrative procedures governing the application and grant award process. The commissioner shall act as fiscal agent for the grant program and shall be responsible for receiving and reviewing grant applications and awarding grants under this section.

Subd. 5. **Application contents.** An applicant for a grant under this section shall provide the following information on the application:

(1) the location of the project;

(2) the kind and amount of broadband infrastructure to be purchased for the project;

(3) evidence regarding the unserved or underserved nature of the community in which the project is to be located;

(4) the number of households passed that will have access to broadband service as a result of the project, or whose broadband service will be upgraded as a result of the project;

(5) significant community institutions that will benefit from the proposed project;

(6) evidence of community support for the project;

(7) the total cost of the project;

(8) sources of funding or in-kind contributions for the project that will supplement any grant award; and

(9) any additional information requested by the commissioner.

**Subd. 6. Awarding grants.** (a) In evaluating applications and awarding grants, the commissioner shall give priority to applications that are constructed in areas identified by the director of the Office of Broadband Development as unserved.

(b) In evaluating applications and awarding grants, the commissioner may give priority to applications that:

(1) are constructed in areas identified by the director of the Office of Broadband Development as underserved;

(2) offer new or substantially upgraded broadband service to important community institutions including, but not limited to, libraries, educational institutions, public safety facilities, and healthcare facilities;

(3) facilitate the use of telemedicine and electronic health records;

(4) serve economically distressed areas of the state, as measured by indices of unemployment, poverty, or population loss that are significantly greater than the statewide average;

(5) provide technical support and train residents, businesses, and institutions in the community served by the project to utilize broadband service;

(6) include a component to actively promote the adoption of the newly available broadband services in the community;

(7) provide evidence of strong support for the project from citizens, government, businesses, and institutions in the community;

(8) provide access to broadband service to a greater number of unserved or underserved households and businesses; or

(9) leverage greater amounts of funding for the project from other private and public sources.

(c) The commissioner shall endeavor to award grants under this section to qualified applicants in all regions of the state.

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

**Sec. 3. [116J.396] BORDER-TO-BORDER BROADBAND FUND.**

**Subdivision 1. Account established.** The border-to-border broadband fund account is established as a separate account in the special revenue fund in the state treasury. The commissioner shall credit to the account appropriations and transfers to the account. Earnings, such as interest, dividends, and any other earnings arising from assets of the account, must be credited to the account. Funds remaining in the account at the end of a fiscal year are not canceled to the general fund, but remain in the account until expended. The commissioner shall manage the account.

Subd. 2. **Expenditures.** Money in the account may be used only:

(1) for grant awards made under section 116J.395, including up to three percent of the total amount appropriated for grants awarded under that section for costs incurred by the Department of Employment and Economic Development to administer that section; or

(2) to supplement revenues raised by bonds sold by local units of government for broadband infrastructure development.

Subd. 3. **Restrictions.** (a) Except as provided in paragraph (c), in any fiscal year, no more than one-third of the funds expended from the account established in this section shall be awarded to applicants located in areas whose household density exceeds 100 households per square mile, as determined by the state demographer.

(b) Except as provided in paragraph (c), in any fiscal year, no more than two-thirds of the funds expended from the account established in this section shall be awarded to applicants located in areas whose household density is less than 100 households per square mile, as determined by the state demographer.

(c) If applications are insufficient to exhaust all funds available in a given grant round under the restrictions imposed in paragraph (a) or (b), the unexpended funds may be awarded to eligible applicants, as determined by the commissioner, irrespective of the population density of the area in which the applicant is located.

Subd. 4. **Appropriation.** Money in the account is appropriated to the commissioner for the purposes of subdivision 2.

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

Sec. 4. **[116J.886] CITATION; REGENERATIVE MEDICINE DEVELOPMENT ACT.**

Sections 116J.886 to 116J.8862 shall be known as the Regenerative Medicine Development Act to promote private sector investment in regenerative medicine to strengthen the state's economy, reduce the long-term costs related to treating debilitating illnesses, advance the regenerative medicine industry, and facilitate and expand clinical research opportunities in the state.

Sec. 5. **[116J.8861] DEFINITIONS.**

Subdivision 1. **Definitions.** For the purposes of sections 116J.886 to 116J.8862, the following terms have the meanings given them.

Subd. 2. **Business development services.** "Business development services" means business incubator services and services to facilitate access to existing publicly or privately financed grants, loans, or loan guarantees, and to support basic or applied research, development of therapies, and development of pharmacologies and treatments through preclinical or clinical trials.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of employment and economic development.

Subd. 4. **Office.** "Office" means the Office of Regenerative Medicine Development established under section 116J.8862.

Subd. 5. **Regenerative medicine.** "Regenerative medicine" means the process of creating or using living, functional tissue to augment, repair, replace, or regenerate organs and tissue that have been damaged by disease, injury, aging, or other biological processes.

Subd. 6. **Regenerative medicine development project or project.** "Regenerative medicine development project" or "project" means any research, product development, or commercial venture relating to basic, preclinical, or clinical work to produce a drug, biological or chemical material, compound, or medical device designed to augment, repair, replace, or regenerate organs and tissue that have been damaged by disease, injury, aging, or other biological processes.

Sec. 6. **[116J.8862] OFFICE OF REGENERATIVE MEDICINE DEVELOPMENT.**

Subdivision 1. **Established.** The commissioner shall establish an Office of Regenerative Medicine Development to provide business development services and outreach to promote and expand the regenerative medicine industry in Minnesota.

Subd. 2. **Consultation.** The office must regularly consult with external stakeholders, and must conduct public meetings to gather input. For the purposes of this section, external stakeholders must include:

- (1) the director of the Minnesota Stem Cell Institute at the University of Minnesota;
- (2) a representative of a Minnesota-based trade association with the largest number of bioscience companies as its membership;
- (3) a representative of a Minnesota-based trade association with the largest number of hospitals as its membership; and
- (4) a representative of the largest private entity in Minnesota conducting research into the benefits and uses of regenerative medicine.

Subd. 3. **Outside funding.** The commissioner, on behalf of the office, may accept appropriations, gifts, grants, and bequests.

Subd. 4. **Public infrastructure grant program.** The commissioner shall coordinate the services and activities of the office with the innovative business development public infrastructure program under section 116J.435.

Subd. 5. **Fiscal planning.** By December 15, 2014, the commissioner shall develop a long-term budget proposal for the office for fiscal years 2016 to 2024 to provide business development services to regenerative medicine development projects.

Subd. 6. **Project applications; selection.** (a) The office shall provide business development services to eligible regenerative medicine development projects approved by the commissioner. To be eligible for business development services under this section, a regenerative medicine development project must:

- (1) demonstrate that at least 70 percent of the project costs are paid from nonstate sources. The nonstate share may include federal funds and the prior purchase of scientific equipment and materials incidental to the project, provided the purchase is completed not more than two years prior to the approval of funding by the commissioner;
- (2) not duplicate or supplant any other research or other project already conducted by the federal government, or for which federal funding is available; and
- (3) demonstrate that project activities are carried out directly by the grant recipient.

(b) The commissioner shall establish an application and process for approving projects. Project applications must include the following information:

- (1) evidence that the required match is available and committed;
- (2) a detailed estimate, along with necessary supporting evidence, of the total cost of the project;
- (3) an assessment of the potential to attract new or continue existing public and private research grant awards resulting from the project;
- (4) a detailed risk analysis projecting the likelihood of clinical success resulting in revenues or royalty payments from the project;
- (5) an assessment of the likelihood for and potential cost savings for publicly funded health care and long-term care programs from the project as a result of reducing the incidence or lowering the treatment costs of debilitating illnesses and diseases over the next ten years;
- (6) a timeline indicating the major milestones of research projects and their anticipated completion dates, including any previously completed similar research; and
- (7) an estimate of any potential current and future employment opportunities within the state, stimulation of economic growth, and the possibility for advancing the development of commercially successful and affordable regenerative medicine products, processes, or services. The application requirements are not in priority order and the commissioner may weigh each item, depending upon the facts and circumstances, as the commissioner considers appropriate.

Subd. 7. **Report.** The commissioner, on behalf of the office, must report to the legislative chairs with jurisdiction over economic development by January 1 of each odd-numbered year on successful economic development projects implemented or initiated since their last report and on plans for the upcoming year.

Subd. 8. **Sunset.** The office established under this section expires June 30, 2024.

Sec. 7. Minnesota Statutes 2012, section 116L.98, is amended to read:

#### **116L.98 WORKFORCE PROGRAM OUTCOMES.**

Subdivision 1. **Requirements.** The commissioner shall develop and implement a set of standard approaches for assessing the outcomes of workforce programs under this chapter. The outcomes assessed must include, but are not limited to, periodic comparisons of workforce program participants and nonparticipants uniform outcome measurement and reporting system for adult workforce-related programs funded in whole or in part by the workforce development fund.

~~The commissioner shall also monitor the activities and outcomes of programs and services funded by legislative appropriations and administered by the department on a pass through basis and develop a consistent and equitable method of assessing recipients for the costs of its monitoring activities.~~

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms defined in this subdivision have the meanings given.

(b) "Credential" means postsecondary degrees, diplomas, licenses, and certificates awarded in recognition of an individual's attainment of measurable technical or occupational skills necessary to obtain employment or advance with an occupation. This definition does not include certificates awarded by workforce investment boards or work-readiness certificates.

(c) "Exit" means to have not received service under a workforce program for 90 consecutive calendar days. The exit date is the last date of service.

(d) "Net impact" means the use of matched control groups and regression analysis to estimate the impacts attributable to program participation net of other factors, including observable personal characteristics and economic conditions.

(e) "Pre-enrollment" means the period of time before an individual was enrolled in a workforce program.

**Subd. 3. Uniform outcome report card; reporting by commissioner.** (a) By December 31 of each even-numbered year, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and the senate having jurisdiction over economic development and workforce policy and finance the following information separately for each of the previous two fiscal or calendar years, for each program subject to the requirements of subdivision 1:

(1) the total number of participants enrolled;

(2) the median pre-enrollment wages based on participant wages for the second through the fifth calendar quarters immediately preceding the quarter of enrollment excluding those with zero income;

(3) the total number of participants with zero income in the second through fifth calendar quarters immediately preceding the quarter of enrollment;

(4) the total number of participants enrolled in training;

(5) the total number of participants enrolled in training by occupational group;

(6) the total number of participants that exited the program and the average enrollment duration of participants that have exited the program during the year;

(7) the total number of exited participants who completed training;

(8) the total number of exited participants who attained a credential;

(9) the total number of participants employed during three consecutive quarters immediately following the quarter of exit, by industry;

(10) the median wages of participants employed during three consecutive quarters immediately following the quarter of exit;

(11) the total number of participants employed during eight consecutive quarters immediately following the quarter of exit, by industry; and

(12) the median wages of participants employed during eight consecutive quarters immediately following the quarter of exit.

(b) The report to the legislature must contain participant information by education level, race and ethnicity, gender, and geography, and a comparison of exited participants who completed training and those who did not.

(c) The requirements of this section apply to programs administered directly by the commissioner or administered by other organizations under a grant made by the department.

Subd. 4. **Data to commissioner; uniform report card.** (a) A recipient of a future or past grant or direct appropriation made by or through the department must report data to the commissioner by September 1 of each even-numbered year on each of the items in subdivision 3 for each program it administers except wages and number employed, which the department shall provide. The data must be in a format prescribed by the commissioner.

(b) Beginning July 1, 2014, the commissioner shall provide notice to grant applicants and recipients regarding the data collection and reporting requirements under this subdivision and must provide technical assistance to applicants and recipients to assist in complying with the requirements of this subdivision.

Subd. 5. **Information.** The information collected and reported under subdivisions 3 and 4 shall be made available on the department's Web site.

Subd. 6. **Limitations on future appropriations.** (a) A program that is a recipient of public funds and subject to the requirements of this section as of May 1, 2014, is not eligible for additional state appropriations for any fiscal year beginning after June 30, 2015, unless all of the reporting requirements under subdivision 4 have been satisfied.

(b) A program with an initial request for funds on or after the effective date of this section may be considered for receipt of public funds for the first two fiscal years only if a plan that demonstrates how the data collection and reporting requirements under subdivision 4 will be met has been submitted and approved by the commissioner. Any subsequent request for funds after an initial request is subject to the requirements of paragraph (a).

Subd. 7. **Workforce program net impact analysis.** (a) The commissioner shall contract with an independent entity to conduct a net impact analysis for adult workforce-related programs funded in whole or in part by the workforce development fund. The requirements of this section apply to programs administered directly by the commissioner or administered by other employment organizations under a grant made by the department. The net impact methodology used by the independent entity should be based on the methodology and evaluation design used in paragraph (c) and must include:

(1) standardized statistical methods for estimating the net impacts of workforce services on individual employment, earnings, incarceration avoidance where appropriate, and public benefits usage outcomes; and

(2) standardized cost-benefit analysis for understanding the monetary impacts of workforce services from the participant and taxpayer points of view.

(b) By January 15 of the odd year of every other biennium, the commissioner must report to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance the following information for each program subject to this subdivision:

(1) the net impact of workforce services on individual employment, earnings, and public benefits usage outcomes; and

(2) cost-benefit analyses for understanding the monetary impacts of workforce services from the participant and taxpayer points of view. The report must be made available to the public in an electronic format on the Department of Employment and Economic Development's Web site.

The department is authorized to create and maintain data-sharing agreements with other departments, including corrections, human services, and any other department that are necessary to complete the analysis. The department shall supply the information collected for use by the independent entity conducting net impact analysis pursuant to the data practices requirements under chapters 13, 13A, 13B, and 13C.

(c) By January 15, 2015, the commissioner, in partnership with the Governor's Workforce Development Council, must report to the chairs and ranking minority members of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance the results of the net impact pilot project already underway.

Sec. 8. Minnesota Statutes 2012, section 181A.07, is amended by adding a subdivision to read:

Subd. 7. **Approved training programs.** The commissioner may grant exemptions from any provisions of sections 181A.01 to 181A.12 for minors participating in training programs approved by the commissioner; or students in a valid apprenticeship program taught by or required by a trade union, the commissioner of education, the commissioner of employment and economic development, the Board of Trustees of the Minnesota State Colleges and Universities, or the Board of Regents of the University of Minnesota.

Sec. 9. **INNOVATION VOUCHER PILOT PROGRAM.**

(a) The commissioner of employment and economic development shall develop and implement an innovation voucher pilot program to provide financing to small businesses to purchase technical assistance and services from public higher education institutions and nonprofit entities to assist in the development or commercialization of innovative new products or services.

(b) Funds available under this section may be used by a small business to access technical assistance and other services including, but not limited to: research, technical development, product development, commercialization, technology exploration, and improved business practices.

(c) To be eligible for a voucher under this section, a business must enter into an agreement with the commissioner that includes:

(1) a list of the technical assistance and services the business proposes to purchase and from whom the services will be purchased; and

(2) deliverable outcomes in one of the following areas:

(i) research and development;

(ii) business model development;

(iii) market feasibility;

(iv) operations; or

(v) other outcomes determined by the commissioner.

As part of the agreement, the commissioner must approve the technical assistance and services to be purchased, and the entities from which the services or technical assistance will be purchased.

(d) For the purposes of this section, a small business means a business with fewer than 25 employees.

(e) A voucher award must not exceed \$25,000 per business.

(f) The commissioner must report to the chairs of the committees of the house of representatives and senate having jurisdiction over economic development and workforce policy and finance issues by December 1, 2014, on the vouchers awarded to date.

Sec. 10. **COMMISSIONER'S ACCOUNTABILITY PLAN.**

By December 1, 2014, the commissioner shall report to the committees of the house of representatives and senate having jurisdiction over workforce development and economic development policy and finance issues, on the department's plan, and any request for funding, to design and implement a performance accountability outcome measurement system for programs under Minnesota Statutes, chapters 116J and 116L.

Sec. 11. **NEW EMPLOYEE TRAINING PARTNERSHIP.**

Subdivision 1. **Training partnership initiative.** (a) The commissioner of employment and economic development shall develop and implement a new employee training partnership to provide rebates to employers that hire and train new employees. To be eligible for a rebate under this section, an employer must enter into an agreement with the commissioner under subdivision 3. The commissioner shall give priority to employers in counties in which the county unemployment rate over the preceding 12 months exceeded the state average unemployment rate by 1.5 percentage points over the same period.

(b) Before entering into an agreement with an employer, the commissioner must investigate the applicability of other training programs and determine whether the job skills partnership grant program is a more suitable source of funding for the training and whether the training can be completed in a timely manner that meets the needs of the employer.

The investigation must be completed within 15 days or as soon as reasonably possible after the employer has provided the commissioner with all the requested information.

(c) The commissioner shall prescribe the form of all applications for rebates, the timing for submission of applications, the execution of agreements with the commissioner, and the payment of rebates.

Subd. 2. **Definitions.** (a) For the purposes of this section, the terms in this subdivision have the meanings given.

(b) "Agreement" means the agreement between an employer and the commissioner for a training partnership.

(c) "Commissioner" means the commissioner of employment and economic development.

(d) "Cost of training" means all necessary and incidental costs of providing training services. The term does not include the cost of purchasing equipment to be owned or used by the training or educational institution or service.

(e) "Disability" has the meaning given under United States Code, title 42, chapter 126.

(f) "Employee" means an individual employed in a new job.

(g) "Employer" means an individual, corporation, partnership, limited liability company, or association providing new jobs and entering into an agreement.

(h) "Long-term unemployed" has the meaning given by the United States Department of Labor, Bureau of Labor Standards.

(i) "New job" means a job:

(1) that is provided by a new or expanding business at a location outside of the metropolitan area, as defined in Minnesota Statutes, section 473.121, subdivision 2;

(2) that provides 32 hours of work per week for a minimum of nine months of the year and is permanent with no planned termination date; and

(3) for which the employee hired was not (i) formerly employed by the employer in the state or (ii) a replacement worker, including a worker newly hired as a result of a labor dispute.

(j) "Rebate" means a payment by the commissioner to an employer for the cost of training an employee. Rebates are limited to a maximum of \$3,000 per employee, except that the maximum rebate for the training costs of an employee with a disability, an employee who was considered long-term unemployed, or an employee who is a veteran, is \$4,000 per employee.

(k) "Training partnership" means a training services and rebate arrangement that is the subject of an agreement entered into between the commissioner and an employer.

(l) "Training services" means training and education specifically directed to new jobs, determined to be appropriate by the commissioner, including in-house training; services provided by institutions of higher education, or federal, state, or local agencies; or private training or educational services. Administrative services, assessment, and testing costs may be considered as training services.

**Subd. 3. Agreements; required terms.** To be eligible for a rebate under this section, an employer must enter into an agreement with the commissioner that:

(1) identifies the training costs to be incurred by the employer, who will provide the training services, and the amount of the rebate to be provided by the commissioner;

(2) provides for a guarantee by the employer of payment for all training costs; and

(3) provides that each employee must be paid wages of at least \$13 per hour, plus benefits, except that during a period not to exceed three weeks, during which an employee is receiving training services, the employee may be paid wages of at least \$11 per hour, plus benefits.

**Subd. 4. Verification prior to payment of rebate.** The commissioner shall not pay any rebate until all training costs and payment of the training costs by the employer have been verified.

**Subd. 5. Allocation.** (a) The commissioner shall allocate payment for rebates to employers only after receipt of a complete application for the rebate, including the provision of all of the required information and the execution of an agreement and approval by the commissioner. In approving applications, the commissioner must give priority to employers in counties with high seasonally adjusted unemployment rates.

(b) The commissioner may utilize existing on-the-job training rebate or payment processes or procedures.

**Subd. 6. Report.** By February 1, 2015, the commissioner shall report to the committees of the house of representatives and the senate having jurisdiction over economic development policy and finance. The report must include the following information:

(1) the total amount of rebates issued;

(2) the number of individuals receiving training, including disaggregate data for employees who are individuals with disabilities, veterans, or who were long-term unemployed;

(3) an analysis of the effectiveness of the rebate in encouraging employment; and

(4) any other information the commissioner determines appropriate.

Sec. 12. **PILOT PROGRAMS; PRECISION MANUFACTURING AND HEALTH CARE SERVICES.**

The commissioner of labor and industry shall establish pilot programs to develop competency standards for apprenticeship programs in precision manufacturing and health care services. The pilot programs shall be administered by the registered apprenticeship program within the Department of Labor and Industry. In establishing the pilot programs, the commissioner may convene recognized industry experts and representative employers to assist in defining credible competency standards acceptable to the information technology and health care services industries.

Sec. 13. **PILOT PROGRAM; INFORMATION TECHNOLOGY.**

The commissioner of employment and economic development shall establish a pilot program to develop competency standards for an information technology apprenticeship program. In establishing the pilot program, the commissioner may convene recognized industry experts and representative employers to define credible competency standards acceptable to the information technology industry.

Sec. 14. **OUTCOMES.**

The outcomes expected from each of the pilot programs listed in sections 12 and 13 include:

(1) establishment of competency standards for entry level and at least two additional higher skill levels for apprenticeship training in each industry;

(2) verification of competency standards and skill levels and their transferability by representatives of each respective industry;

(3) clarification of ways for Minnesota educational institutions to engage in providing training to meet the competency standards established; and

(4) participation from the identified industry sectors.

Sec. 15. **REPEALER.**

Minnesota Statutes 2012, section 116J.997, is repealed.

ARTICLE 3  
WORKERS' COMPENSATION

Section 1. Minnesota Statutes 2013 Supplement, section 176.011, subdivision 15, is amended to read:

Subd. 15. **Occupational disease.** (a) "Occupational disease" means a mental impairment as defined in paragraph (d) or physical disease arising out of and in the course of employment peculiar to the occupation in which the employee is engaged and due to causes in excess of the hazards ordinary of employment and shall include undulant fever. Physical stimulus resulting in mental injury and mental stimulus resulting in physical injury shall

remain compensable. Mental impairment is not considered a disease if it results from a disciplinary action, work evaluation, job transfer, layoff, demotion, promotion, termination, retirement, or similar action taken in good faith by the employer. Ordinary diseases of life to which the general public is equally exposed outside of employment are not compensable, except where the diseases follow as an incident of an occupational disease, or where the exposure peculiar to the occupation makes the disease an occupational disease hazard. A disease arises out of the employment only if there be a direct causal connection between the conditions under which the work is performed and if the occupational disease follows as a natural incident of the work as a result of the exposure occasioned by the nature of the employment. An employer is not liable for compensation for any occupational disease which cannot be traced to the employment as a direct and proximate cause and is not recognized as a hazard characteristic of and peculiar to the trade, occupation, process, or employment or which results from a hazard to which the worker would have been equally exposed outside of the employment.

(b) If immediately preceding the date of disablement or death, an employee was employed on active duty with an organized fire or police department of any municipality, as a member of the Minnesota State Patrol, conservation officer service, state crime bureau, as a forest officer by the Department of Natural Resources, state correctional officer, or sheriff or full-time deputy sheriff of any county, and the disease is that of myocarditis, coronary sclerosis, pneumonia or its sequel, and at the time of employment such employee was given a thorough physical examination by a licensed doctor of medicine, and a written report thereof has been made and filed with such organized fire or police department, with the Minnesota State Patrol, conservation officer service, state crime bureau, Department of Natural Resources, Department of Corrections, or sheriff's department of any county, which examination and report negated any evidence of myocarditis, coronary sclerosis, pneumonia or its sequel, the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment. If immediately preceding the date of disablement or death, any individual who by nature of their position provides emergency medical care, or an employee who was employed as a licensed police officer under section 626.84, subdivision 1; firefighter; paramedic; state correctional officer; emergency medical technician; or licensed nurse providing emergency medical care; and who contracts an infectious or communicable disease to which the employee was exposed in the course of employment outside of a hospital, then the disease is presumptively an occupational disease and shall be presumed to have been due to the nature of employment and the presumption may be rebutted by substantial factors brought by the employer or insurer. Any substantial factors which shall be used to rebut this presumption and which are known to the employer or insurer at the time of the denial of liability shall be communicated to the employee on the denial of liability.

(c) A firefighter on active duty with an organized fire department who is unable to perform duties in the department by reason of a disabling cancer of a type caused by exposure to heat, radiation, or a known or suspected carcinogen, as defined by the International Agency for Research on Cancer, and the carcinogen is reasonably linked to the disabling cancer, is presumed to have an occupational disease under paragraph (a). If a firefighter who enters the service after August 1, 1988, is examined by a physician prior to being hired and the examination discloses the existence of a cancer of a type described in this paragraph, the firefighter is not entitled to the presumption unless a subsequent medical determination is made that the firefighter no longer has the cancer.

(d) For the purposes of this chapter, "mental impairment" means a diagnosis of post-traumatic stress disorder by a licensed psychiatrist or psychologist. For the purposes of this chapter, "post-traumatic stress disorder" means the condition as described in the most recently published edition of the Diagnostic and Statistical Manual of Mental Disorders by the American Psychiatric Association. For purposes of section 79.34, subdivision 2, one or more compensable mental impairment claims arising out of a single event or occurrence shall constitute a single loss occurrence.

**EFFECTIVE DATE.** This section is effective for employees with dates of injury on or after October 1, 2013.

Sec. 2. Minnesota Statutes 2012, section 176.129, subdivision 2a, is amended to read:

Subd. 2a. **Payments to fund.** (a) On or before April 1 of each year, all self-insured employers shall report paid indemnity losses and insurers shall report paid indemnity losses and standard workers' compensation premium in the form and manner prescribed by the commissioner. On June 1 of each year, the commissioner shall determine the total amount needed to pay all estimated liabilities, including administrative expenses, of the special compensation fund for the following fiscal year. The commissioner shall assess this amount against self-insured employers and insurers. The total amount of the assessment must be allocated between self-insured employers and insured employers based on paid indemnity losses for the preceding calendar year, as provided by paragraph (b). The method of assessing self-insured employers must be based on paid indemnity losses, as provided by paragraph (c). The method of assessing insured employers is based on standard workers' compensation premium, as provided by paragraph (c). Each insurer shall collect the assessment through a policyholder surcharge as provided by paragraph (d). On or before June 30 of each year, the commissioner shall provide notification to each self-insured employer and insurer of amounts due. Each self-insured employer and each insurer shall pay at least one-half of the amount due to the commissioner for deposit into the special compensation fund on or before August 1 of the same calendar year. The remaining balance is due on February 1 of the following calendar year. Each insurer must pay the full amount due as stated in the commissioner's notification, regardless of the amount the insurer actually collects from the ~~premium~~ policyholder surcharge.

(b) The portion of the total assessment that is allocated to self-insured employers is the proportion that paid indemnity losses made by all self-insured employers bore to the total paid indemnity losses made by all self-insured employers and insured employers during the preceding calendar year. The portion of the total assessment that is allocated to insured employers is the proportion that paid indemnity losses made on behalf of all insured employers bore to the total paid indemnity losses made by all self-insured employers and insured employers during the preceding calendar year.

(c) The portion of the total assessment allocated to self-insured employers that shall be paid by each self-insured employer must be based upon paid indemnity losses made by that self-insured employer during the preceding calendar year. The portion of the total assessment allocated to insured employers that is paid by each insurer must be based on standard workers' compensation premium earned in the state by that insurer during the ~~preceding~~ current calendar year. If the current calendar year earned standard workers' compensation premium is not available, the commissioner shall estimate the portion of the total assessment allocated to insured employers that is paid by each insurer using the earned standard workers' compensation premium from the preceding calendar year. The commissioner shall then perform a reconciliation and final determination of the portion of the total assessment to be paid by each insurer when the earned standard workers' compensation premium for the current calendar year is calculable, but the final determination must not be made after December 1 of the following calendar year. An employer who has ceased to be self-insured shall continue to be liable for assessments based on paid indemnity losses arising out of injuries occurring during periods when the employer was self-insured, unless the self-insured employer has purchased a replacement policy covering those losses. An insurer who assumes a self-insured employer's obligation under a replacement policy shall separately report and pay assessments based on indemnity losses paid by the insurer under the replacement policy. The replacement policy may provide for reimbursement of the assessment to the insurer by the self-insured employer.

(d) Insurers shall collect the assessments from their insured employers through a surcharge based on standard workers' compensation premium for each employer. Assessments when collected do not constitute an element of loss for the purpose of establishing rates for workers' compensation insurance but for the purpose of collection are treated as separate costs imposed on insured employers. The ~~premium~~ policyholder surcharge is included in the definition of gross premium as defined in section 297I.01 only for premium tax purposes. An insurer may cancel a policy for nonpayment of the ~~premium~~ policyholder surcharge. The ~~premium~~ policyholder surcharge is excluded from the definition of premium for all other purposes, except as otherwise provided in this paragraph.

(e) For purposes of this section, the workers' compensation assigned risk plan established under section 79.252, shall report and pay assessments on standard workers' compensation premium in the same manner as an insurer.

**EFFECTIVE DATE.** This section is effective for assessments due under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

Sec. 3. Minnesota Statutes 2012, section 176.129, subdivision 7, is amended to read:

Subd. 7. **Refunds.** In case deposit is or has been made pursuant to subdivision 2a by mistake or inadvertence, or under circumstances that justice requires a refund, the commissioner of management and budget is authorized to refund the deposit under order of the commissioner, a compensation judge, the Workers' Compensation Court of Appeals, or a district court. Claims for refunds must be submitted to the commissioner within three years of the ~~assessment due date of reconciliation and final determination under subdivision 2a.~~ There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.

**EFFECTIVE DATE.** This section is effective for assessments due under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (a), on August 1, 2013, and February 1, 2014, and for the first reconciliation and final determination under Minnesota Statutes, section 176.129, subdivision 2a, paragraph (c), due on or before December 1, 2014.

Sec. 4. Minnesota Statutes 2012, section 176.135, subdivision 7, is amended to read:

Subd. 7. **Medical bills and records.** (a) Health care providers shall submit to the insurer an itemized statement of charges in the standard electronic transaction format when required by section 62J.536 or, if there is no prescribed standard electronic transaction format, on a billing form prescribed by the commissioner. Health care providers shall also submit copies of medical records or reports that substantiate the nature of the charge and its relationship to the work injury. Health care providers may charge for copies of any records or reports that are in existence and directly relate to the items for which payment is sought under this chapter. The commissioner shall adopt a schedule of reasonable charges by rule.

A health care provider shall not collect, attempt to collect, refer a bill for collection, or commence an action for collection against the employee, employer, or any other party until the information required by this section has been furnished.

A United States government facility rendering health care services to veterans is not subject to the uniform billing form requirements of this subdivision.

(b) For medical services provided under this section on or after October 1, 2014, the codes from the International Classification of Diseases, Tenth Edition, Clinical Modification/Procedure Coding System (ICD-10), must be used to report medical diagnoses and hospital inpatient procedures. The commissioner must replace the codes from the International Classification of Diseases, Ninth Edition, Clinical Modification/Procedure Coding System (ICD-9), with equivalent ICD-10 codes wherever the ICD-9 codes appear in rules adopted under this chapter. The commissioner must use the General Equivalence Mappings established by the Centers for Medicare and Medicaid Services to replace the ICD-9 diagnostic codes with ICD-10 codes in the rules.

(c) The commissioner shall amend rules adopted under this chapter as necessary to implement the ICD-10 coding system in paragraph (b). The amendments shall be adopted by giving notice in the State Register according to the procedures in section 14.386, paragraph (a). The amended rules are not subject to expiration under section 14.386, paragraph (b).

Sec. 5. Minnesota Statutes 2012, section 176.136, subdivision 1a, is amended to read:

Subd. 1a. **Relative value fee schedule.** (a) The liability of an employer for services included in the medical fee schedule is limited to the maximum fee allowed by the schedule in effect on the date of the medical service, or the provider's actual fee, whichever is lower. The commissioner shall adopt permanent rules regulating fees allowable for medical, chiropractic, podiatric, surgical, and other health care provider treatment or service, including those provided to hospital outpatients, by implementing a relative value fee schedule. The commissioner may adopt by reference, according to the procedures in paragraph (h), clause (2), the relative value fee schedule tables adopted for the federal Medicare program. The relative value fee schedule must contain reasonable classifications including, but not limited to, classifications that differentiate among health care provider disciplines. The conversion factors for the original relative value fee schedule must reasonably reflect a 15 percent overall reduction from the medical fee schedule most recently in effect. The reduction need not be applied equally to all treatment or services, but must represent a gross 15 percent reduction.

(b) Effective October 1, 2005, the commissioner shall remove all scaling factors from the relative value units and establish four separate conversion factors according to paragraphs (c) and (d) for each of the following parts of Minnesota Rules:

(1) medical/surgical services in Minnesota Rules, part 5221.4030, as defined in part 5221.0700, subpart 3, item C, subitem (2);

(2) pathology and laboratory services in Minnesota Rules, part 5221.4040, as defined in part 5221.0700, subpart 3, item C, subitem (3);

(3) physical medicine and rehabilitation services in Minnesota Rules, part 5221.4050, as defined in part 5221.0700, subpart 3, item C, subitem (4); and

(4) chiropractic services in Minnesota Rules, part 5221.4060, as defined in part 5221.0700, subpart 3, item C, subitem (5).

~~(c) The four conversion factors established under paragraph (b) shall be calculated so that there is no change in each maximum fee for each service under the current fee schedule, except as provided in paragraphs (d) and (e).~~

~~(d) By October 1, 2006, the conversion factor for chiropractic services described in paragraph (b), clause (4), shall be increased to equal 72 percent of the conversion factor for medical/surgical services described in paragraph (b), clause (1). Beginning October 1, 2005, the increase in chiropractic conversion factor shall be phased in over two years by approximately equal percentage point increases.~~

~~(e) When adjusting the conversion factors in accordance with paragraph (g) on October 1, 2005, and October 1, 2006, the commissioner may adjust by no less than zero, all of the conversion factors as necessary to offset any overall increase in payments under the fee schedule resulting from the increase in the chiropractic conversion factor.~~

~~(f) The commissioner shall give notice of the relative value units and conversion factors established under paragraphs (b), (c), and (d) according to the procedures in section 14.386, paragraph (a). The relative value units and conversion factors established under paragraphs (b), (c), and (d) are not subject to expiration under section 14.386, paragraph (b).~~

~~(g)~~ (c) The conversion factors shall be adjusted as follows:

(1) After permanent rules have been adopted to implement this section, the conversion factors must be adjusted annually on October 1 by no more than the percentage change computed under section 176.645, but without the annual cap provided by that section.

(2) Each time the workers' compensation relative value fee schedule tables are updated under paragraph (h), the commissioner shall adjust the conversion factors so that, for services in both fee schedules, there is no difference between the overall payment in each category of service listed in paragraph (b) under the new schedule and the overall payment for that category under the workers' compensation fee schedule most recently in effect. This adjustment must be made before making any additional adjustment under clause (1).

~~(h)~~ (d) The commissioner shall give notice of the adjusted conversion factors and updates to the relative value fee schedule as follows:

(1) The commissioner shall annually give notice in the State Register of the adjusted conversion factors and any amendments to rules to implement Medicare relative value tables incorporated by reference under this subdivision. The notices of the adjusted conversion factors and amended rules to implement the relative value tables are subject to the requirements of section 14.386, paragraph (a). The annual adjustments to the conversion factors and the medical fee schedules adopted under this section, including all previous fee schedules, are not subject to expiration under section 14.386, paragraph (b).

(2) The commissioner shall periodically, but at least once every three years, update the workers' compensation relative value tables by incorporating by reference the relative value tables in the national physician fee schedule relative value file established by the Centers for Medicare and Medicaid Services. The commissioner shall publish the notices of the incorporation by reference in the State Register at least 60 days before the tables are to become effective for purposes of payment under this section. Each notice of incorporation must state the date the incorporated tables will become effective and must include information on how the Medicare relative value tables may be obtained. The published notices of incorporation by reference and the incorporated tables are not rules subject to section 14.386 or other provisions of chapter 14, but have the force and effect of law as of the date specified in the notices.

Sec. 6. Minnesota Statutes 2012, section 176.231, subdivision 2, is amended to read:

Subd. 2. **Initial report, written report.** Where subdivision 1 requires an injury to be reported within 48 hours, the employer may make an initial report by telephone, ~~telegraph,~~ or personal notice, and file a written report of the injury within seven days from its occurrence or within such time as the commissioner of labor and industry designates. All written reports of injuries required by subdivision 1 shall include the date of injury. The reports shall be on a form designed by the commissioner, with a clear copy suitable for imaging to the commissioner, one copy to the insurer, and one copy to the employee.

The employer must give the employee the "Minnesota Workers' Compensation System Employee Information Sheet" at the time the employee is given a copy of the first report of injury.

If an insurer or self-insurer repeatedly fails to pay benefits within three days of the due date, pursuant to section 176.221, the insurer or self-insurer shall be ordered by the commissioner to explain, in person, the failure to pay benefits due in a reasonable time. If prompt payments are not thereafter made, the commissioner shall refer the insurer or self-insurer to the commissioner of commerce for action pursuant to section 176.225, subdivision 4.

Sec. 7. Minnesota Statutes 2012, section 176.305, subdivision 1a, is amended to read:

Subd. 1a. **Settlement and pretrial conferences; summary decision.** The chief administrative law judge shall promptly assign the petition to a compensation judge under section 176.307, and shall schedule a settlement conference before a compensation judge, to be held no later than 180 days after a claim petition was filed, or 45 days after a petition to discontinue, objection to discontinuance, or request for formal hearing was filed.

All parties must appear at the settlement conference, either personally or by representative, must be prepared to discuss settlement of all issues, and must be prepared to discuss or present the information required by the joint rules of the division and the office. If a representative appears on behalf of a party, the representative must have authority to fully settle the matter. The parties shall serve and file a pretrial statement no fewer than five days before the settlement conference.

If settlement is not reached, the chief administrative law judge shall schedule a hearing to be held within 90 days from the scheduled settlement conference. However, the hearing must be held earlier than 90 days from the scheduled settlement conference if this chapter requires an expedited hearing to be held at an earlier date. The hearing must be held before a compensation judge other than the compensation judge who conducted the settlement conference. The compensation judge assigned to hold the hearing may choose to conduct a pretrial conference to clarify the issues and evidence that will be presented at the hearing.

Cancellations and continuations of proceedings are disfavored but may be granted upon the showing of good cause under section 176.341, subdivision 4.

The compensation judge conducting the settlement conference may require the parties to present copies of all documentary evidence not previously filed and a summary of the evidence they will present at a formal hearing. If appropriate, a written summary decision shall be issued within ten days after the conference stating the issues and a determination of each issue. If a party fails to appear at the conference, all issues may be determined contrary to the absent party's interest, provided the party in attendance presents a prima facie case.

The summary decision is final unless a written request for a formal hearing is served on all parties and filed with the commissioner within 30 days after the date of service and filing of the summary decision. Within ten days after receipt of the request, the commissioner shall certify the matter to the office for a de novo hearing. ~~In proceedings under section 176.2615, the summary decision is final and not subject to appeal or de novo proceedings.~~

Sec. 8. **REPEALER.**

Minnesota Statutes 2012, sections 175.006, subdivision 1; 175.08; 175.14; 175.26; 176.1311; 176.136, subdivision 3; 176.2615; and 176.641, are repealed.

#### ARTICLE 4 MISCELLANEOUS

Section 1. Minnesota Statutes 2012, section 469.084, is amended by adding a subdivision to read:

Subd. 1a. **Meetings by telephone or other electronic means.** The port authority may conduct meetings as provided by section 13D.015."

Delete the title and insert:

"A bill for an act relating to state government; making supplemental appropriations for jobs and economic development; appropriating money to the Department of Employment and Economic Development and Department of Labor and Industry; providing grants for broadband infrastructure; providing various business development grants

and loans; creating an Office of Regenerative Medicine Development; modifying workforce program outcomes; creating job training programs; modifying workers' compensation provisions; modifying a meeting provision for a port authority; requiring reports; amending Minnesota Statutes 2012, sections 116L.98; 176.129, subdivisions 2a, 7; 176.135, subdivision 7; 176.136, subdivision 1a; 176.231, subdivision 2; 176.305, subdivision 1a; 181A.07, by adding a subdivision; 469.084, by adding a subdivision; Minnesota Statutes 2013 Supplement, section 176.011, subdivision 15; Laws 2013, chapter 85, article 1, sections 3, subdivisions 2, 6; 13, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 116J; repealing Minnesota Statutes 2012, sections 116J.997; 175.006, subdivision 1; 175.08; 175.14; 175.26; 176.1311; 176.136, subdivision 3; 176.2615; 176.641."

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

The report was adopted.

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

H. F. No. 2989, A bill for an act relating to business organizations; regulating certain filings, recordings, and registrations with the secretary of state; amending Minnesota Statutes 2012, sections 49.215, subdivision 3; 270C.63, subdivision 6; 321.0810; 323A.0903; 336A.01, subdivision 16; 336A.08, subdivision 4; 336A.11; repealing Minnesota Statutes 2012, sections 336A.031; 336A.08, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 18, reinstate "upon"

Page 1, line 19, reinstate "the recording in the office of the county recorder of"

Page 1, lines 20 and 21, reinstate the stricken language

Page 1, delete section 2

Page 6, after line 20, insert:

"Sec. 7. Minnesota Statutes 2012, section 336A.13, is amended to read:

**336A.13 RECEIPT OF WRITTEN NOTICE.**

For purposes of United States Code, title 7, section 1631, and this chapter, receipt of written notice means the date the notice is actually received by a farm product dealer or the first date that delivery is attempted by a carrier. ~~A farm product dealer must act in good faith.~~ For a mailed notice, a farm product dealer is presumed to have received the notice by five business days after it was mailed unless by ten days after it was mailed the farm product dealer notifies the secretary of state in writing that it has not received the notice by that time. For a notice provided by electronic transmission or posting, a farm product dealer is presumed to have received the notice five business days after the list required to be distributed or made available by section 336A.08, subdivision 4, is posted on an electronic network or site accessible via the Internet, mobile application, computer, mobile device, tablet, or other electronic device, together with a separate notice of posting, which is provided by the secretary of state by electronic mail to the address at which the farm product dealer has consented to receive notice of posting.

**EFFECTIVE DATE.** This section is effective upon certification by the secretary of state that the United States Department of Agriculture, Grain Inspections, Packers and Stockyards Administration has approved the Minnesota central notification system 2014 proposal. The secretary of state shall notify the revisor of statutes when federal certification is obtained."

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 3038, A bill for an act relating to transportation; removing length limit of certain connector highways; allowing one-week bid advertisement period for certain trunk highway contracts; clarifying state responsibility for certain bond payments for cities with population decline to under 5,000; amending Minnesota Statutes 2012, sections 161.261, subdivisions 1, 2; 161.32, subdivision 4; 162.18, by adding a subdivision.

Reported the same back with the recommendation that the bill be placed on the General Register.

The report was adopted.

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

H. F. No. 3073, A bill for an act relating to insurance; modifying certain regulations to reduce the incidence of insurance fraud; providing an administrative penalty for insurance fraud; regulating no-fault auto benefits; regulating certain property and casualty coverages; creating a process for deauthorization of the right of health care providers to receive certain payments under chapter 65B; limiting reimbursement for certain prescription drugs; regulating batch billing; modifying certain economic benefits under chapter 65B; establishing a task force on motor vehicle insurance coverage verification; amending Minnesota Statutes 2012, sections 13.7191, subdivision 16; 60A.952, subdivision 3; 65B.44, subdivisions 2, 3, 4, 6, by adding a subdivision; 65B.525, by adding a subdivision; 65B.54, subdivision 2; 72A.502, subdivision 2; 604.18, subdivision 4; Minnesota Statutes 2013 Supplement, section 45.0135, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 45; 60A; 65B; repealing Minnesota Statutes 2012, section 72A.327.

Reported the same back with the following amendments:

Page 1, delete section 2

Page 2, delete section 3

Page 8, delete lines 19 to 35

Page 9, delete lines 1 to 7

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete everything after the first semicolon

Page 1, line 5, delete everything after the semicolon

Page 1, line 6, delete everything before "limiting"

Correct the title numbers accordingly

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

The report was adopted.

Hortman from the Committee on Energy Policy to which was referred:

H. F. No. 3110, A bill for an act relating to energy; utilities; modifying residential customer protections pertaining to medically necessary equipment; amending Minnesota Statutes 2012, section 216B.098, subdivision 5.

Reported the same back with the following amendments:

Page 1, delete lines 23 and 24

Page 2, delete lines 1 to 4 and insert:

"(c) Except as provided in paragraph (d), a certification may not extend beyond six months from the date of written certification.

(d) If a utility determines that a longer certification is appropriate given a particular customer's circumstances, the utility may, at its sole discretion, extend the duration of a certification for up to 12 months."

Page 2, line 5, after "(e)" insert "A certificate may be renewed, provided that the renewal complies with this subdivision."

Page 2, line 6, delete everything after "(b)" and insert a period

Page 2, line 7, after "customer" insert "whose account is"

Page 2, line 10, delete "an arrears forgiveness component" and insert "a provision by which the utility forgives all or a portion of the amount in which the account is in arrears."

Page 2, delete section 2

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

Wagenius from the Committee on Environment, Natural Resources and Agriculture Finance to which was referred:

H. F. No. 3158, A bill for an act relating to solid waste; appropriating money for grant program to local units of government to increase composting.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
AGRICULTURE, ENVIRONMENT AND NATURAL RESOURCES APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<b><u>2015</u></b>
<u>General</u>	\$16,000,000
<u>Natural Resources</u>	900,000
<u>Game and Fish</u>	3,000
<u>Environment and Natural Resources Trust</u>	490,000
<b><u>Total</u></b>	<b><u>\$17,393,000</u></b>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 114, or appropriated to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal year indicated for each purpose. The figure "2015" used in this article means that the addition to the appropriations listed under them are available for the fiscal year ending June 30, 2015.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2015**

Sec. 3. **AGRICULTURE.**

Subdivision 1. **Total Appropriation** **\$1,911,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Department of Agriculture** **1,601,000**

\$1,500,000 in 2015 is for a grant to Second Harvest Heartland on behalf of the six Feeding America food banks that serve Minnesota to compensate agricultural producers and processors for costs

incurred to harvest and package for transfer surplus fruits, vegetables, or other agricultural commodities that would otherwise go unharvested or be discarded. Surplus commodities must be distributed statewide to food shelves and other charitable organizations that are eligible to receive food from the food banks. Surplus food acquired under this appropriation must be from Minnesota producers and processors. Second Harvest Heartland must report when required by, and in the form prescribed by, the commissioner. Second Harvest Heartland may use up to 11 percent of the grant for administrative expenses. This appropriation is added to the base.

\$100,000 in 2015 is to compensate experts evaluating pollinator death or illness as authorized in Minnesota Statutes, section 18B.04. \$65,000 is added to the base.

\$1,000 in 2015 is for the industrial hemp report required under article 2. This is a onetime appropriation.

**Subd. 3. Board of Animal Health**

310,000

\$310,000 in 2015 is to administer the dog and cat breeder licensing and inspection program. The base in fiscal year 2016 is \$426,000 and the base in fiscal year 2017 is \$435,000.

**Sec. 4. POLLUTION CONTROL AGENCY**

**Subdivision 1. Total Appropriation**

**\$7,336,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Water**

1,000

\$1,000 in 2015 is to compile information on the presence of plastic microbeads in the state's waters and their potential impacts on aquatic ecosystems and human health, in consultation with the University of Minnesota. No later than December 15, 2014, the commissioner must present the information to the legislative committees with jurisdiction over environment and natural resources policy and finance and make recommendations. This is a onetime appropriation.

**Subd. 3. Environmental Assistance and Cross-Media**

7,335,000

\$7,000,000 in 2015 is for the purposes of Minnesota Statutes, section 115A.557, subdivision 2. This appropriation is added to the base.

\$335,000 in 2015 is for costs incurred implementing Minnesota Statutes, sections 116.9401 to 116.9425. This is a onetime appropriation.

Sec. 5. **NATURAL RESOURCES**

Subdivision 1. **Total Appropriation**

**\$2,107,000**

Appropriations by Fund

<u>General</u>	<u>1,654,000</u>
<u>Game and Fish</u>	<u>3,000</u>
<u>Natural Resources</u>	<u>450,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Ecological and Water Resources**

50,000

\$50,000 in 2015 is for a study of the effects of the Lake Emily dam in Crow Wing County on water clarity and water levels in Lake Emily, Lake Mary, and the Little Pine River. This is a onetime appropriation.

Subd. 3. **Parks and Trails Management**

2,045,000

\$1,595,000 in 2015 is for the improvement, maintenance, and conditions of facilities and infrastructure in state parks for safety and general use. This is a onetime appropriation.

\$450,000 in 2015 is from the natural resources fund for state trail, park, and recreation area operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (2). This is a onetime appropriation.

Subd. 4. **Fish and Wildlife Management**

12,000

\$3,000 in 2015 is from the game and fish fund for a report on aquatic plant management permitting policies for the management of narrow-leaved and hybrid cattail in a range of basin types across the state. The report shall be submitted to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over environment and natural resources by December 15, 2014, and include recommendations for any necessary changes in statutes, rules, or permitting procedures. This is a onetime appropriation.

\$9,000 in 2015 is for the commissioner, in consultation with interested parties, agencies, and other states, to develop a detailed restoration plan to recover the historical native population of

bobwhite quail in Minnesota for its ecological and recreational benefits to the citizens of the state. The commissioner shall conduct public meetings in developing the plan. No later than January 15, 2015, the commissioner must report on the plan's progress to the legislative committees with jurisdiction over environment and natural resources policy and finance. This is a onetime appropriation.

Sec. 6. **METROPOLITAN COUNCIL**

**\$450,000**

\$450,000 in 2015 is from the natural resources fund for metropolitan area regional parks and trails maintenance and operations. This appropriation is from the revenue deposited in the natural resources fund under Minnesota Statutes, section 297A.94, paragraph (e), clause (3). This is a onetime appropriation.

Sec. 7. **UNIVERSITY OF MINNESOTA**

**\$5,589,000**

Appropriations by Fund

<u>General</u>	<u>5,099,000</u>
<u>Environment and Natural Resources Trust</u>	<u>490,000</u>

\$5,099,000 in 2015 is from the general fund for the Invasive Terrestrial Plants and Pests Center requested under this act, including a director, graduate students, and necessary supplies. This is a onetime appropriation and is available until June 30, 2025.

\$490,000 in 2015 is from the environment and natural resources trust fund for the Invasive Terrestrial Plants and Pests Center requested under this act, including a director, graduate students, and necessary supplies. This is a onetime appropriation and is available until June 30, 2025.

\$970,000 from the environment and natural resources trust fund appropriated in Laws 2011, First Special Session chapter 2, article 3, section 2, subdivision 9, paragraph (d), Reinvest in Minnesota Wetlands Reserve Acquisition and Restoration Program Partnership, is transferred to the Board of Regents of the University of Minnesota for the Invasive Terrestrial Plants and Pests Center requested under this act, including a director, graduate students, and necessary supplies and is available until June 30, 2025.

ARTICLE 2  
AGRICULTURE, ENVIRONMENT AND NATURAL RESOURCES  
FISCAL IMPLEMENTATION PROVISIONS

Section 1. Minnesota Statutes 2012, section 13.643, subdivision 6, is amended to read:

Subd. 6. **Animal premises data.** (a) The following data collected and maintained by the Board of Animal Health related to registration and identification of premises and animals under chapter 35, are classified as private or nonpublic:

- (1) the names and addresses;
- (2) the location of the premises where animals are kept; and
- (3) the identification number of the premises or the animal.

(b) Except as provided in section 347.58, subdivision 5, data collected and maintained by the Board of Animal Health under sections 347.57 to 347.64 are classified as private or nonpublic.

~~(b)~~ (c) The Board of Animal Health may disclose data collected under paragraph (a) or (b) to any person, agency, or to the public if the board determines that the access will aid in the law enforcement process or the protection of public or animal health or safety.

Sec. 2. Minnesota Statutes 2012, section 13.7411, subdivision 8, is amended to read:

Subd. 8. **Pollution Control Agency.** (a) **Hazardous waste generators.** Information provided by hazardous waste generators under section 473.151 and for which confidentiality is claimed is governed by section 116.075, subdivision 2.

(b) **Tests.** Trade secret information made available by applicants for certain projects of the Pollution Control Agency is classified under section 116.54.

(c) **Priority chemicals.** Information submitted to the Pollution Control Agency related to priority chemicals in children's products is classified under section 116.9403.

Sec. 3. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision to read:

Subd. 1c. **Apiary.** "Apiary" means a place where a collection of one or more hives or colonies of bees or the nuclei of bees are kept.

Sec. 4. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision to read:

Subd. 2a. **Bee.** "Bee" means any stage of the common honeybee, *Apis mellifera* (L).

Sec. 5. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision to read:

Subd. 2b. **Bee owner.** "Bee owner" means a person who owns an apiary.

Sec. 6. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision to read:

Subd. 4c. **Colony.** "Colony" means the aggregate of worker bees, drones, the queen, and developing young bees living together as a family unit in a hive or other dwelling.

Sec. 7. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision to read:

Subd. 11a. **Hive.** "Hive" means a frame hive, box hive, box, barrel, log gum, skep, or any other receptacle or container, natural or artificial, or any part of one, which is used as domicile for bees.

Sec. 8. Minnesota Statutes 2012, section 18B.01, is amended by adding a subdivision to read:

Subd. 20a. **Pollinator.** "Pollinator" means an insect that pollinates flowers.

Sec. 9. Minnesota Statutes 2012, section 18B.03, is amended by adding a subdivision to read:

Subd. 4. **Pollinator enforcement.** The commissioner may take enforcement action under chapter 18D for a violation of this chapter, or any rule adopted under this chapter, that results in harm to pollinators, including but not limited to applying a pesticide in a manner inconsistent with the pesticide product's label or labeling and resulting in pollinator death or willfully applying pesticide in a manner inconsistent with the pesticide product's label or labeling. The commissioner must deposit any penalty collected under this subdivision in the pesticide regulatory account in section 18B.05.

Sec. 10. Minnesota Statutes 2012, section 18B.04, is amended to read:

**18B.04 PESTICIDE IMPACT ON ENVIRONMENT.**

(a) The commissioner shall:

(1) determine the impact of pesticides on the environment, including the impacts on surface water and groundwater in this state;

(2) develop best management practices involving pesticide distribution, storage, handling, use, and disposal; and

(3) cooperate with and assist other state agencies and local governments to protect public health, pollinators, and the environment from harmful exposure to pesticides.

(b) The commissioner may assemble a group of experts under section 16C.10, subdivision 2, to consult in the investigation of pollinator deaths or illnesses. The group of experts may include representatives from local, state, and federal agencies; academia; the state pollinator bank; or other professionals as deemed necessary by the commissioner.

Sec. 11. **[18B.055] COMPENSATION FOR BEES KILLED BY PESTICIDE; APPROPRIATION.**

Subdivision 1. **Compensation required.** (a) The commissioner of agriculture must compensate a person for an acute pesticide poisoning resulting in the death of bees owned by the person, provided:

(1) the person who applied the pesticide cannot be determined;

(2) the person who applied the pesticide did so in a manner consistent with the pesticide product's label or labeling; or

(3) the person who applied the pesticide did so in a manner inconsistent with the pesticide product's label or labeling.

(b) Except as provided in this section, the bee owner is entitled to the fair market value of the dead bees as determined by the commissioner upon recommendation by academic experts and bee keepers. In any fiscal year, a bee owner must not be compensated for a claim that is less than \$100 or compensated more than \$20,000 for all eligible claims.

Subd. 2. **Applicator responsible.** In the event a person applies a pesticide in a manner inconsistent with the pesticide product's label or labeling requirements as approved by the commissioner and is determined to have caused the acute pesticide poisoning of bees, resulting in death, kept for commercial purposes, then the person so identified must bear the responsibility of restitution for the value of the bees to the bee owner. In such cases the commissioner must not provide compensation as provided in this section.

Subd. 3. **Claim form.** The bee owner must file a claim on forms provided by the commissioner and available on the Department of Agriculture's Web site.

Subd. 4. **Determination.** The commissioner must determine whether the death of the bees was caused by an acute pesticide poisoning, whether the pesticide applicator can be determined, and whether the pesticide applicator applied the pesticide product in a manner consistent with the pesticide product's label or labeling.

Subd. 5. **Payments; denial of compensation.** (a) If the commissioner determines the bee death was caused by an acute pesticide poisoning and either the pesticide applicator cannot be determined or the pesticide applicator applied the pesticide product in a manner consistent with the pesticide product's label or labeling, the commissioner may award compensation from the pesticide regulatory account. If the pesticide applicator can be determined and the applicator applied the pesticide product in a manner inconsistent with the product's label or labeling, the commissioner may collect a penalty from the pesticide applicator sufficient to compensate the bee owner for the fair market value of the dead bees and must award the money to the bee owner.

(b) If the commissioner denies compensation claimed by a bee owner under this section, the commissioner must issue a written decision based upon the available evidence. The decision must include specification of the facts upon which the decision is based and the conclusions on the material issues of the claim. The commissioner must mail a copy of the decision to the bee owner.

(c) A decision to deny compensation claimed under this section is not subject to the contested case review procedures of chapter 14, but may be reviewed upon a trial de novo in a court in the county where the loss occurred. The decision of the court may be appealed as in other civil cases. Review in court may be obtained by filing a petition for review with the administrator of the court within 60 days following receipt of a decision under this section. Upon the filing of a petition, the administrator must mail a copy to the commissioner and set a time for hearing within 90 days of the filing.

Subd. 6. **Deduction from payment.** In order to be eligible for compensation under this section, a bee owner must document that at the time of the loss the bee owner had insurance sufficient to cover up to 50 percent of the total value of the owner's colony. The commissioner must reduce payments made under this section by any compensation received by the bee owner as proceeds from an insurance policy or from another source.

Subd. 7. **Appropriation.** The amount necessary to pay claims under this section, not to exceed \$150,000 per fiscal year, is appropriated from the pesticide regulatory account in section 18B.05.

Sec. 12. **[18K.01] DEFINITIONS.**

Subdivision 1. **Scope.** The definitions in this section apply to this chapter.

Subd. 2. **Commissioner.** "Commissioner" means the commissioner of agriculture.

Subd. 3. **Industrial hemp.** "Industrial hemp" means the plant Cannabis sativa L. and any part of the plant, whether growing or not, with a delta-9 tetrahydrocannabinol concentration of not more than 0.3 percent on a dry weight basis.

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

Sec. 13. **[18K.03] PILOT PROGRAM; OTHER RESEARCH AUTHORIZED.**

Subdivision 1. **Authorized activity.** The commissioner may grow or cultivate industrial hemp pursuant to a pilot program administered by the commissioner to study the growth, cultivation, or marketing of industrial hemp. The commissioner may authorize institutions of higher education to grow or cultivate industrial hemp as part of the commissioner's pilot program or as is necessary to perform other agricultural or academic research.

Subd. 2. **Site registration.** Before growing or cultivating industrial hemp, each site must be certified by and registered with the commissioner. A person must register each site in the form prescribed by the commissioner.

Subd. 3. **Rulemaking.** The commissioner may adopt rules that govern the pilot program in accordance with this section and Public Law 113-79.

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

Sec. 14. **[19.70] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of this chapter the terms defined in this section have the meanings given.

Subd. 2. **Abandoned apiary.** "Abandoned apiary" means any apiary not regularly attended in accordance with good beekeeping practices and which constitutes a disease or parasite hazard to the beekeeping industry.

Subd. 3. **Africanized honeybees.** "Africanized honeybees" means Africanized honeybees using United States Department of Agriculture standards.

Subd. 4. **Bee diseases.** "Bee diseases" means infectious, contagious, or harmful diseases including but not limited to: American or European foulbrood, sacbrood, chalkbrood, Nosema, bee paralysis, or abnormal condition of egg, larval, pupal, or adult stages of bees.

Subd. 5. **Bee equipment.** "Bee equipment" means hives, supers, frames, veils, gloves, and any apparatus, tool, machine, vehicle, or other device used in the handling, moving, or manipulating of bees, honey, wax, or hives, including containers of honey or wax which may be used in an apiary or in transporting bees and their products and apiary supplies.

Subd. 6. **Beekeeper.** "Beekeeper" means a person who keeps bees.

Subd. 7. **Beekeeping.** "Beekeeping" means the moving, raising, and producing of bees, beeswax, honey, related products, and pollination.

Subd. 8. **Commissioner.** "Commissioner" means the commissioner of agriculture or the commissioner's authorized agents.

Subd. 9. **Department.** "Department" means the Department of Agriculture.

Subd. 10. **Exotic parasite.** "Exotic parasite" means any parasite harmful to bees including but not limited to: Varroa jacobsoni, Tropilaelaps clareae, or Acarapis woodi.

Subd. 11. **Queen apiary.** "Queen apiary" means any apiary or premises in which queen bees are reared or kept for sale or gift.

Sec. 15. Minnesota Statutes 2012, section 84.788, subdivision 2, is amended to read:

Subd. 2. **Exemptions.** Registration is not required for off-highway motorcycles:

(1) owned and used by the United States, an Indian tribal government, the state, another state, or a political subdivision;

- (2) registered in another state or country that have not been within this state for more than 30 consecutive days; ~~or~~
- (3) registered under chapter 168, when operated on forest roads to gain access to a state forest campground;
- (4) used exclusively in organized track racing events;
- (5) operated on state or grant-in-aid trails by a nonresident possessing a nonresident off-highway motorcycle state trail pass; or
- (6) operated by a person participating in an event for which the commissioner has issued a special use permit.

Sec. 16. **[84.7945] NONRESIDENT OFF-HIGHWAY MOTORCYCLE STATE TRAIL PASS.**

Subdivision 1. **Pass required; fee.** (a) A tribal member exempt from registration under section 84.788, subdivision 2, clause (2), or a nonresident, may not operate an off-highway motorcycle on a state or grant-in-aid off-highway motorcycle trail unless the operator carries a valid nonresident off-highway motorcycle state trail pass in immediate possession. The pass must be available for inspection by a peace officer, a conservation officer, or an employee designated under section 84.0835.

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

(c) A nonresident off-highway motorcycle state trail pass is not required for:

(1) an off-highway motorcycle that is owned and used by the United States, another state, or a political subdivision thereof that is exempt from registration under section 84.788, subdivision 2;

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

(3) a nonresident operating an off-highway motorcycle that is registered according to section 84.788.

Subd. 2. **License agents.** The commissioner may appoint agents to issue and sell nonresident off-highway motorcycle state trail passes. The commissioner may revoke the appointment of an agent at any time. The commissioner may adopt additional rules as provided in section 97A.485, subdivision 11. An agent shall observe all rules adopted by the commissioner for accounting and handling of passes pursuant to section 97A.485, subdivision 11. An agent shall promptly deposit and remit all money received from the sale of the passes, exclusive of the issuing fee, to the commissioner.

Subd. 3. **Issuance of passes.** The commissioner and agents shall issue and sell nonresident off-highway motorcycle state trail passes. The commissioner shall also make the passes available through the electronic licensing system established under section 84.027, subdivision 15.

Subd. 4. **Agent's fee.** In addition to the fee for a pass, an issuing fee of \$1 per pass shall be charged. The issuing fee may be retained by the seller of the pass. Issuing fees for passes issued by the commissioner shall be deposited in the off-highway motorcycle account in the natural resources fund and retained for the operation of the electronic licensing system.

Subd. 5. **Duplicate passes.** The commissioner and agents shall issue a duplicate pass to persons whose pass is lost or destroyed using the process established under section 97A.405, subdivision 3, and rules adopted thereunder. The fee for a duplicate nonresident off-highway motorcycle state trail pass is \$2, with an issuing fee of 50 cents.

Sec. 17. Minnesota Statutes 2012, section 85.053, subdivision 2, is amended to read:

Subd. 2. **Requirement.** Except as provided in section 85.054, a motor vehicle may not enter a state park, state recreation area, or state wayside over 50 acres in area, without a state park permit issued under this section or a state parks and trails plate issued under section 168.1295. Except for vehicles permitted under subdivisions 7, paragraph (a), clause (2), and 8, the state park permit must be affixed to the lower right corner windshield of the motor vehicle and must be completely affixed by its own adhesive to the windshield, or the commissioner may, by written order, provide an alternative means to display and validate state park permits.

Sec. 18. **[85.056] STATE PARKS AND TRAILS DONATION ACCOUNT.**

Subdivision 1. **Establishment.** The state parks and trails donation account is established as a separate account in the natural resources fund. The account shall be administered by the commissioner of natural resources as provided in this section.

Subd. 2. **Funding sources.** The state parks and trails donation account shall consist of contributions made under section 168.1295 and other contributions. The contributions may be made in cash, property, land, or interests in land.

Subd. 3. **Uses.** Money in the account is appropriated to the commissioner of natural resources to operate and maintain the state parks and trails system.

Sec. 19. Minnesota Statutes 2012, section 85.34, subdivision 7, is amended to read:

Subd. 7. **Disposition of proceeds.** (a) All revenue derived from the lease of the Fort Snelling upper bluff, with the exception of payment for costs of the water line as described in subdivision 6, shall be deposited in the natural resources fund and credited to a state park account. Interest earned on the money in the account accrues to the account.

(b) Revenue and expenses from the upper bluff shall be tracked separately within the account. Money in the account derived from the leasing or operation of the property described in subdivision 1 ~~may be~~ is appropriated annually to the commissioner for the payment of expenses attributable to the leasing, development, and operation of the property described in subdivision 1, including, but not limited to, the maintenance, repair, and rehabilitation of historic buildings and landscapes.

Sec. 20. Minnesota Statutes 2012, section 85A.02, subdivision 2, is amended to read:

Subd. 2. **Zoological Garden.** The board shall acquire, construct, equip, operate and maintain the Minnesota Zoological Garden at a site in Dakota County legally described in Laws 1975, chapter 382, section 12. The Zoological Garden shall consist of adequate facilities and structures for the collection, habitation, preservation, care, exhibition, examination or study of wild and domestic animals, including, but not limited to mammals, birds, fish, amphibians, reptiles, crustaceans and mollusks. The board may provide such lands, buildings and equipment as it deems necessary for parking, transportation, entertainment, education or instruction of the public in connection with such Zoological Garden. The Zoological Garden is the official pollinator bank for the state of Minnesota. For purposes of this subdivision, "pollinator bank" means a program to avert the extinction of pollinator species by cultivating insurance breeding populations.

Sec. 21. **[87A.10] TRAP SHOOTING SPORTS FACILITY GRANTS.**

The commissioner of natural resources shall administer a program to provide cost-share grants to local recreational trap shooting clubs for up to 50 percent of the costs of developing or rehabilitating trap shooting sports facilities for public use. A facility rehabilitated or developed with a grant under this section must be open to the general public at reasonable times and for a reasonable fee on a walk-in basis. The commissioner shall give preference to projects that will provide the most opportunities for youth.

Sec. 22. Minnesota Statutes 2012, section 103G.271, subdivision 6, is amended to read:

Subd. 6. **Water use permit processing fee.** (a) Except as described in paragraphs (b) to ~~(f)~~ (g), a water use permit processing fee must be prescribed by the commissioner in accordance with the schedule of fees in this subdivision for each water use permit in force at any time during the year. Fees collected under this paragraph are credited to the water management account in the natural resources fund. The schedule is as follows, with the stated fee in each clause applied to the total amount appropriated:

- (1) \$140 for amounts not exceeding 50,000,000 gallons per year;
  - (2) \$3.50 per 1,000,000 gallons for amounts greater than 50,000,000 gallons but less than 100,000,000 gallons per year;
  - (3) \$4 per 1,000,000 gallons for amounts greater than 100,000,000 gallons but less than 150,000,000 gallons per year;
  - (4) \$4.50 per 1,000,000 gallons for amounts greater than 150,000,000 gallons but less than 200,000,000 gallons per year;
  - (5) \$5 per 1,000,000 gallons for amounts greater than 200,000,000 gallons but less than 250,000,000 gallons per year;
  - (6) \$5.50 per 1,000,000 gallons for amounts greater than 250,000,000 gallons but less than 300,000,000 gallons per year;
  - (7) \$6 per 1,000,000 gallons for amounts greater than 300,000,000 gallons but less than 350,000,000 gallons per year;
  - (8) \$6.50 per 1,000,000 gallons for amounts greater than 350,000,000 gallons but less than 400,000,000 gallons per year;
  - (9) \$7 per 1,000,000 gallons for amounts greater than 400,000,000 gallons but less than 450,000,000 gallons per year;
  - (10) \$7.50 per 1,000,000 gallons for amounts greater than 450,000,000 gallons but less than 500,000,000 gallons per year; and
  - (11) \$8 per 1,000,000 gallons for amounts greater than 500,000,000 gallons per year.
- (b) For once-through cooling systems, a water use processing fee must be prescribed by the commissioner in accordance with the following schedule of fees for each water use permit in force at any time during the year:
- (1) for nonprofit corporations and school districts, \$200 per 1,000,000 gallons; and
  - (2) for all other users, \$420 per 1,000,000 gallons.

(c) The fee is payable based on the amount of water appropriated during the year and, except as provided in paragraph (f), the minimum fee is \$100.

(d) For water use processing fees other than once-through cooling systems:

(1) the fee for a city of the first class may not exceed \$250,000 per year;

(2) the fee for other entities for any permitted use may not exceed:

(i) \$60,000 per year for an entity holding three or fewer permits;

(ii) \$90,000 per year for an entity holding four or five permits; or

(iii) \$300,000 per year for an entity holding more than five permits;

(3) the fee for agricultural irrigation may not exceed \$750 per year;

(4) the fee for a municipality that furnishes electric service and cogenerates steam for home heating may not exceed \$10,000 for its permit for water use related to the cogeneration of electricity and steam; and

(5) no fee is required for a project involving the appropriation of surface water to prevent flood damage or to remove flood waters during a period of flooding, as determined by the commissioner.

(e) Failure to pay the fee is sufficient cause for revoking a permit. A penalty of two percent per month calculated from the original due date must be imposed on the unpaid balance of fees remaining 30 days after the sending of a second notice of fees due. A fee may not be imposed on an agency, as defined in section 16B.01, subdivision 2, or federal governmental agency holding a water appropriation permit.

(f) The minimum water use processing fee for a permit issued for irrigation of agricultural land is \$20 for years in which:

(1) there is no appropriation of water under the permit; or

(2) the permit is suspended for more than seven consecutive days between May 1 and October 1.

(g) The commissioner shall waive the water use permit fee for installations and projects that use storm water runoff or where public entities treat public waters of the state, unless the commissioner determines that the proposed use adversely affects surface water or ground water to a significant extent.

~~(g)~~ (h) A surcharge of \$30 per million gallons in addition to the fee prescribed in paragraph (a) shall be applied to the volume of water used in each of the months of June, July, and August that exceeds the volume of water used in January for municipal water use, irrigation of golf courses, and landscape irrigation. The surcharge for municipalities with more than one permit shall be determined based on the total appropriations from all permits that supply a common distribution system.

Sec. 23. Minnesota Statutes 2012, section 115A.151, is amended to read:

**115A.151 RECYCLABLE MATERIAL CONTAINER REQUIREMENTS; PUBLIC ENTITIES, SPORTS FACILITIES, AND COMMERCIAL BUILDINGS.**

(a) A public entity, the owner of a sports facility, and the owner of a commercial building shall:

(1) ensure that facilities under its control, from which mixed municipal solid waste is collected, have containers for at least three recyclable materials, such as, but not limited to, paper, glass, plastic, and metal; and

(2) transfer all recyclable materials collected to a recycler.

(b) For the purposes of this section:

(1) "public entity" means the state, an office, agency, or institution of the state, the Metropolitan Council, a metropolitan agency, the Metropolitan Mosquito Control Commission, the legislature, the courts, a county, a statutory or home rule charter city, a town, a school district, a special taxing district, or any entity that receives an appropriation from the state for a capital improvement project after August 1, 2002;

(2) "metropolitan agency" and "Metropolitan Council," have the meanings given them in section 473.121; ~~and~~

(3) "Metropolitan Mosquito Control Commission" means the commission created in section 473.702;

(4) "commercial building" means a building that contains a business classified in sectors 42 to 81 under the North American Industrial Classification System and that contracts for two cubic yards or more per week of solid waste collection; and

(5) "sports facility" means a professional or collegiate sports facility at which competitions take place before a public audience.

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

Sec. 24. Minnesota Statutes 2012, section 115A.55, subdivision 4, is amended to read:

Subd. 4. **Statewide source reduction goal.** (a) It is a goal of the state ~~that there be a minimum ten percent per capita reduction in the amount of mixed and counties to reduce the generation of municipal solid waste generated in the state by December 31, 2000, based on a reasonable estimate of the amount of mixed municipal solid waste that was generated in calendar year 1993.~~

(b) As part of the ~~1997~~ report required under section 115A.411, the commissioner shall submit to the senate and house of representatives committees having jurisdiction over environment and natural resources and environment and natural resources finance a proposed strategy for meeting the goal in paragraph (a). The strategy must include a discussion of the different reduction potentials to be found in various sectors and may include recommended interim goals. The commissioner shall report progress on meeting the goal in paragraph (a), as well as recommendations and revisions to the proposed strategy, as part of the ~~1999~~ report required under section 115A.411.

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

Sec. 25. Minnesota Statutes 2012, section 115A.551, subdivision 1, is amended to read:

Subdivision 1. **Definition.** (a) For the purposes of this section, "recycling" means, in addition to the meaning given in section 115A.03, subdivision 25b, yard waste and source-separated compostable materials composting; and recycling that occurs through mechanical or hand separation of materials that are then delivered ~~for reuse in their original form or~~ for use in manufacturing processes that do not cause the destruction of recyclable materials in a manner that precludes further use.

(b) For the purposes of this section, "total solid waste generation" means the total by weight of:

- (1) materials separated for recycling;
- (2) materials separated for yard waste and source-separated compostable materials composting;
- (3) mixed municipal solid waste plus ~~yard waste~~, motor and vehicle fluids and filters, tires, lead acid batteries, and major appliances; and
- (4) residential and commercial waste materials that would be mixed municipal solid waste but for the fact that they are not collected as such.

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

Sec. 26. Minnesota Statutes 2012, section 115A.551, subdivision 2a, is amended to read:

Subd. 2a. ~~Supplementary~~ **County recycling goals.** (a) By December 31, ~~1996~~ 2030, each county will have as a goal to recycle the following amounts:

- (1) for a county outside of the metropolitan area, 35 percent by weight of total solid waste generation; and
- (2) for a metropolitan county, ~~50~~ 75 percent by weight of total solid waste generation.

(b) Each county will develop and implement or require political subdivisions within the county to develop and implement programs, practices, or methods designed to meet its recycling goal. Nothing in this section or in any other law may be construed to prohibit a county from establishing a higher recycling goal.

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

Sec. 27. Minnesota Statutes 2012, section 115A.557, subdivision 2, is amended to read:

Subd. 2. **Purposes for which money may be spent.** (a) A county receiving money distributed by the commissioner under this section may use the money only for the development and implementation of programs to:

- (1) reduce the amount of solid waste generated;
- (2) recycle the maximum amount of solid waste technically feasible;
- (3) create and support markets for recycled products;
- (4) remove problem materials from the solid waste stream and develop proper disposal options for them;
- (5) inform and educate all sectors of the public about proper solid waste management procedures;
- (6) provide technical assistance to public and private entities to ensure proper solid waste management;
- (7) provide educational, technical, and financial assistance for litter prevention; ~~and~~
- (8) process mixed municipal solid waste generated in the county at a resource recovery facility located in Minnesota; and

(9) compost source-separated compostable materials, including the provision of receptacles for residential composting.

(b) Beginning in fiscal year 2015 and continuing thereafter, of any money distributed by the commissioner under this section to a metropolitan county, as defined in section 473.121, subdivision 4, that exceeds the amount the county was eligible to receive under this section in fiscal year 2014: (1) at least 50 percent must be expended on activities in paragraph (a), clause (9); and (2) the remainder must be expended on activities in paragraph (a), clauses (1) to (7) and (9) that advance the county toward achieving its recycling goal under section 115A.551.

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

Sec. 28. Minnesota Statutes 2012, section 115A.557, subdivision 3, is amended to read:

Subd. 3. **Eligibility to receive money.** (a) To be eligible to receive money distributed by the commissioner under this section, a county shall within one year of October 4, 1989:

(1) create a separate account in its general fund to credit the money; and

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 115A.551, subdivision 7, and a household hazardous waste management plan under section 115A.96, subdivision 6, by the dates specified in those provisions;

(2) submit a report by April 1 of each year to the commissioner, which may be submitted electronically and must be posted on the agency's Web site, detailing for the previous calendar year:

(i) how the money was spent including, but not limited to, specific recycling and composting activities undertaken to increase the county's proportion of solid waste recycled in order to achieve its recycling goal established in section 115A.551; specific information on the number of employees performing SCORE planning, oversight, and administration; the percentage of those employees' total work time allocated to SCORE planning, oversight, and administration; the specific duties and responsibilities of those employees; and the amount of staff salary for these SCORE duties and responsibilities of the employees; and

(ii) the resulting gains achieved in solid waste management practices; and

(3) provide evidence to the commissioner that local revenue equal to 25 percent of the money sought for distribution under this section will be spent for the purposes in subdivision 2.

(c) The commissioner shall withhold all or part of the funds to be distributed to a county under this section if the county fails to comply with this subdivision and subdivision 2.

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

Sec. 29. Minnesota Statutes 2012, section 116.9401, is amended to read:

**116.9401 DEFINITIONS.**

(a) For the purposes of sections 116.9401 to ~~116.9407~~ 116.9425, the following terms have the meanings given them.

(b) "Agency" means the Pollution Control Agency.

(c) "Alternative" means a substitute process, product, material, chemical, strategy, or combination of these that is technically feasible and serves a functionally equivalent purpose to a chemical in a children's product.

(d) "Chemical" means a substance with a distinct molecular composition or a group of structurally related substances and includes the breakdown products of the substance or substances that form through decomposition, degradation, or metabolism.

(e) "Chemical of high concern" means 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;
- (4) damage the nervous system, immune system, or organs, or cause other systemic toxicity;
- (5) be persistent, bioaccumulative, and toxic; or
- (6) be very persistent and very bioaccumulative.

(f) "Child" means a person under 12 years of age.

(g) "Children's product" means a consumer product intended for use by children, such as baby products, toys, car seats, personal care products, and clothing.

(h) "Commissioner" means the commissioner of the Pollution Control Agency.

(i) "Contaminant" means a trace amount of a chemical that is incidental to manufacturing and serves no intended function in the product component. Contaminant includes, but is not limited to, unintended by-products of chemical reactions that occur during the manufacture of the product component, trace impurities in feedstock, incompletely reacted chemical mixtures, and degradation products.

(j) "Department" means the Department of Health.

(~~j~~) (k) "Distributor" means a person who sells consumer products to retail establishments on a wholesale basis.

(~~k~~) (l) "Green chemistry" means an approach to designing and manufacturing products that minimizes the use and generation of toxic substances.

(m) "Intentionally added chemical" means a chemical in a product that serves an intended function in the product component.

~~(n)~~ (n) "Manufacturer" means any person who manufactures a final consumer product sold at retail or whose brand name is affixed to the consumer product. In the case of a consumer product imported into the United States, manufacturer includes the importer or domestic distributor of the consumer product if the person who manufactured or assembled the consumer product or whose brand name is affixed to the consumer product does not have a presence in the United States.

(o) "Mouthable" means a product that can be placed into and kept in a child's mouth to be sucked or chewed, including any product or product part smaller than five centimeters in one dimension. A product that can only be licked is not mouthable.

(p) "Practical quantification limit" means the lowest concentration of a chemical that can be reliably measured within specified limits of precision, accuracy, representativeness, completeness, and comparability under routine laboratory operating conditions and the value of which:

(1) is based on scientifically defensible, standard analytical methods;

(2) may vary depending on the matrix and analytical method used; and

(3) will be determined by the commissioner, taking into consideration practical quantification limits established by federal or state agencies.

~~(m)~~ (q) "Priority chemical" means a chemical identified by the Department of Health as a chemical of high concern that meets the criteria in section 116.9403.

(r) "Product category" means the brick level of the GS1 Global Product Classification (GPC) standard, which identifies products that serve a common purpose, are of a similar form and material, and share the same set of category attributes.

(s) "Product code" means the numeric representation of the item level of the GS1 electronic product code (EPC), the international article number (EAN), or the universal product code (UPC), whichever is used by a manufacturer to identify a unique company-specific or brand-specific product.

(t) "Product component" means a uniquely identifiable material or coating including, but not limited to, an ink or dye that is intended to be included as a part of a finished children's product.

~~(n)~~ (u) "Safer alternative" means:

(1) an alternative whose potential to harm human health or the environment is less than that of the use of a priority chemical that it could replace;

(2) an alternative chemical that is not a priority chemical identified by the department under section 116.9403; or

(3) an alternative chemical that is not 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:

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

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

(iii) disrupt the endocrine or hormone system; or

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

(v) "Toy" means a product designed or intended by the manufacturer to be used by a child at play.

(w) "Trade association" means a membership organization of persons engaging in a similar or related line of commerce, organized to promote and improve business conditions in that line of commerce and not to engage in a regular business of a kind ordinarily carried on for profit.

Sec. 30. Minnesota Statutes 2012, section 116.9402, is amended to read:

**116.9402 IDENTIFICATION OF CHEMICALS OF HIGH CONCERN.**

(a) By July 1, 2010, the department shall, after consultation with the agency, generate a list of chemicals of high concern.

(b) The department must periodically review and revise the list of chemicals of high concern at least every three years. The department may add chemicals to the list if the chemical meets one or more of the criteria in section 116.9401, paragraph (e). Any changes to the list of chemicals of high concern must be published on the department's Web site and in the State Register when a change is made.

(c) The department shall consider chemicals listed as a suspected carcinogen, reproductive or developmental toxicant, or as being persistent, bioaccumulative, and toxic, or very persistent and very bioaccumulative by a state, federal, or international agency. These agencies may include, but are not limited to, the California Environmental Protection Agency, the Washington Department of Ecology, the United States Department of Health, the United States Environmental Protection Agency, the United Nation's World Health Organization, and European Parliament Annex XIV concerning the Registration, Evaluation, Authorisation, and Restriction of Chemicals.

(d) The department may consider chemicals listed by another state as harmful to human health or the environment for possible inclusion in the list of chemicals of high concern.

Sec. 31. Minnesota Statutes 2012, section 116.9403, is amended to read:

**116.9403 IDENTIFICATION OF PRIORITY CHEMICALS.**

Subdivision 1. Designation; publication. (a) The department, after consultation with the agency, may designate a chemical of high concern as a priority chemical if the department finds that the chemical:

(1) has been identified as a high-production volume chemical by the United States Environmental Protection Agency; and

(2) meets any of the following criteria:

(i) the chemical has been found through biomonitoring to be present in human blood, including umbilical cord blood, breast milk, urine, or other bodily tissues or fluids;

(ii) the chemical has been found through sampling and analysis to be present in household dust, indoor air, drinking water, or elsewhere in the home environment; or

(iii) the chemical has been found through monitoring to be present in fish, wildlife, or the natural environment.

(b) By February 1, 2011, the department shall publish a list of priority chemicals in the State Register and on the department's Internet Web site and shall update the published list whenever a new priority chemical is designated. Any proposed changes to the list of priority chemicals must be published on the department's Web site and in the State Register and will be subject to a minimum 60-day public comment period. In the 60 days following the date of publication in the State Register, the public may submit comments to the department on the proposed changes to the priority chemical list. A final list of changes to the list of priority chemicals must be published on the department's Web site following the end of the comment period and the department's review and consideration of all comments received during this period before finalizing changes to the list.

Subd. 2. **Public data.** Notwithstanding section 13.37, subdivision 2, the presence and concentration and total amount of a priority chemical in a specific children's product reported to the agency under section 116.9409, clauses (1) to (6), are classified as public data.

Subd. 3. **Not misappropriation of trade secret.** Notwithstanding section 325C.01, subdivision 3, publication of the presence and concentration and total amount of a priority chemical in a specific children's product under this section is not misappropriation of a trade secret.

Sec. 32. Minnesota Statutes 2012, section 116.9405, is amended to read:

**116.9405 APPLICABILITY EXEMPTIONS.**

The requirements of sections ~~116.9401~~ 116.9408 to ~~116.9407~~ 116.9425 do not apply to:

- (1) chemicals in ~~used~~ previously owned children's products;
- (2) priority chemicals used in the manufacturing process, but that are not present in the final product;
- (3) priority chemicals used in agricultural production;
- (4) motor vehicles as defined in chapter 168 or watercraft as defined in chapter 86B or their component parts, except that the use of priority chemicals in detachable car seats is not exempt;
- (5) priority chemicals generated solely as combustion by-products or that are present ~~in combustible fuels; in combustible petroleum fuels or in biofuel,~~ as defined in section 239.051, subdivision 5a;
- (6) retailers, except if a retailer is also the producer, manufacturer, importer, or domestic distributor of a children's product containing a priority chemical or the retailer's brand name is affixed to a children's product containing a priority chemical;
- (7) over-the-counter drugs, pharmaceutical products, dietary supplements, or biologics;
- (8) a medical device as defined in the federal Food, Drug, and Cosmetic Act, United States Code, title 21, section 321(h);
- (9) ~~food and food or beverage packaging, except a container containing baby food or infant formula;~~
- ~~(10) consumer electronics products and electronic components, including but not limited to personal computers; audio and video equipment; calculators; digital displays; wireless phones; cameras; game consoles; printers; and handheld electronic and electrical devices used to access interactive software or their associated peripherals; or products that comply with the provisions of directive 2002/95/EC of the European Union, adopted by the European Parliament and Council of the European Union now or hereafter in effect; ~~or~~~~

(10) interactive software, such as computer games, and their storage media, such as compact discs;

(11) outdoor sport equipment, including snowmobiles as defined in section 84.81, subdivision 3; all-terrain vehicles as defined in section 84.92, subdivision 8; personal watercraft as defined in section 86B.005, subdivision 14a; watercraft as defined in section 86B.005, subdivision 18; and off-highway motorcycles, as defined in section 84.787, subdivision 7, and all attachments and repair parts for all of this equipment;

(12) batteries; or

(13) a children's product, manufactured or distributed by an individual manufacturer or distributor, if fewer than 3,000 units of the children's product are manufactured or distributed annually in the United States by that manufacturer.

Sec. 33. Minnesota Statutes 2012, section 116.9406, is amended to read:

#### **116.9406 DONATIONS TO THE STATE.**

The commissioner may accept donations, grants, and other funds to carry out the purposes of sections 116.9401 to ~~116.9407~~ 116.9425. All donations, grants, and other funds must be accepted without preconditions regarding the outcomes of the regulatory oversight processes set forth in sections 116.9401 to ~~116.9407~~ 116.9425.

#### **Sec. 34. [116.9408] CHILDREN'S PRODUCTS; INITIAL NOTIFICATION ON PRIORITY CHEMICALS.**

(a) A manufacturer or distributor of a children's product offered for sale in this state that contains a priority chemical must, unless the children's product is not subject to regulation under section 116.9405, provide the information required under this section to the agency:

(1) within one year of the effective date of this act, if both the designation of the priority chemical under section 116.9403 and the offering for sale in this state of the children's product containing the priority chemical occurred prior to the effective date of this act;

(2) within one year of the priority chemical being designated under section 116.9403, if the children's product is initially offered for sale in this state before the designation and the designation is made after the effective date of this act; or

(3) within one year of the initial offering of the children's product for sale in this state, if the initial offering occurs after the priority chemical is designated under section 116.9403 and the designation is made after the effective date of this act.

(b) An initial notification is required for each children's product that is known or believed likely to include a priority chemical in any amount and must include the following information submitted to the agency on a form developed by the commissioner:

(1) the name of the priority chemical and its Chemical Abstracts Service Registry number;

(2) in which of the following tiers the children's product containing a priority chemical belongs:

(i) Tier 1: a mouthable children's product intended to be used by children three years of age or younger or a children's product intended to be placed in a child's mouth or directly applied to a child's skin;

(ii) Tier 2: a children's product intended to be in direct contact with a child's skin for one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

(iii) Tier 3: a children's product intended to be in direct contact with a child's skin for less than one hour; or

(iv) Tier 4: a children's product in which a priority chemical is contained only in an internal component that, under normal use, is unlikely to come into direct contact with a child's skin or mouth;

(3) a description of the product component in which the priority chemical is present; and

(4) the name and address of the reporting manufacturer or distributor and the name, address, and telephone number of the contact person for the reporting manufacturer or distributor.

**Sec. 35. [116.9409] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING INFORMATION ON PRIORITY CHEMICALS; TIMING.**

A manufacturer or distributor of a children's product offered for sale in this state that contains a priority chemical must, unless the children's product is not subject to regulation under section 116.9405, provide the full product information required under section 116.9410 to the agency. The maximum length of time between the filing of the information required under section 116.9408, paragraph (a), and the filing of full product information required under section 116.9410 varies according to the manufacturer's or distributor's annual aggregate gross sales, both within and outside the state, as reported in the manufacturer's or distributor's most recently filed federal tax return, as follows:

(1) for a manufacturer or distributor with gross sales exceeding \$1,000,000,000, one year or, for a priority chemical designated under section 116.9403 before January 1, 2014, by two years after the effective date of this section;

(2) for a manufacturer or distributor with gross sales exceeding \$250,000,000 but less than or equal to \$1,000,000,000, 1-1/2 years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by 2-1/2 years after the effective date of this section;

(3) for a manufacturer or distributor with gross sales exceeding \$100,000,000 but less than or equal to \$250,000,000, two years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by three years after the effective date of this section;

(4) for a manufacturer or distributor with gross sales exceeding \$5,000,000 but less than or equal to \$100,000,000, three years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by four years after the effective date of this section;

(5) for a manufacturer or distributor with gross sales exceeding \$100,000 but less than or equal to \$5,000,000, four years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by five years after the effective date of this section; and

(6) for a manufacturer or distributor with gross sales less than or equal to \$100,000, five years or, for a priority chemical designated under section 116.9403 before January 1, 2014, by six years after the effective date of this section.

Sec. 36. **[116.9410] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING INFORMATION ON PRIORITY CHEMICALS.**

(a) A manufacturer or distributor of a children's product offered for sale in the state that contains one or more priority chemicals must, except as provided in paragraph (e) or if the children's product is not subject to regulation under section 116.9405, provide the following full product information to the agency on a form developed by the commissioner:

(1) the name of each priority chemical and its Chemical Abstracts Service Registry number;

(2) in which of the following tiers the children's product containing a priority chemical belongs:

(i) Tier 1: a mouthable children's product intended to be used by children three years of age or younger or a children's product intended to be placed in a child's mouth or directly applied to a child's skin;

(ii) Tier 2: a children's product intended to be in direct contact with a child's skin for one hour or longer, including but not limited to clothing, jewelry, bedding, or a car seat;

(iii) Tier 3: a children's product intended to be in direct contact with a child's skin for less than one hour; or

(iv) Tier 4: a children's product in which a priority chemical is contained only in an internal component that, under normal use, is unlikely to come into direct contact with a child's skin or mouth;

(3) the product components, materials, or coatings that contain one or more priority chemicals;

(4) the concentration and total amount of each priority chemical contained in a children's product, a description of how the concentration was determined, and an evaluation of the accuracy of the determination. Concentrations at or above the practical quantification limit must be reported, but may be reported in the following ranges:

(i) greater than or equal to the practical quantification limit but less than 100 ppm;

(ii) greater than or equal to 100 ppm but less than 500 ppm;

(iii) greater than or equal to 500 ppm but less than 1,000 ppm;

(iv) greater than or equal to 1,000 ppm but less than 5,000 ppm;

(v) greater than or equal to 5,000 ppm but less than 10,000 ppm; and

(vi) greater than or equal to 10,000 ppm.

For the purposes of this section, "ppm" means parts per million;

(5) the product category or categories for the children's product;

(6) a description of the function of the priority chemical in the product, including whether it is present as a contaminant;

(7) the name and address of the manufacturer, distributor, or trade association filing the report and the name, address, and telephone number of the contact person for the reporting manufacturer, distributor, or trade association;

(8) evidence describing the extent to which a child is likely to be exposed to the priority chemical through normal use of the children's product;

(9) the number of units of the children's product sold or distributed in Minnesota or nationally;

(10) any other information the manufacturer or distributor deems relevant; and

(11) any other information requested by the commissioner.

(b) Reporting shall include all intentionally added chemicals at or above the applicable practical quantification limit, and contaminants present in a product component at a concentration above 100 ppm.

(c) Reporting parties are not required to include any specific formula information or the specific name and address of the facility that is responsible for introduction of a priority chemical into a children's product or product component.

(d) If the information required in paragraph (a) is not submitted in a timely fashion or is incomplete or otherwise unacceptable as determined by the agency, the agency may contract with an independent third party of the agency's choice to provide the information and may assess a fee on the manufacturer or distributor to pay the costs as specified under section 116.9419.

(e) The agency shall determine on a case-by-case basis if reporting the information in paragraph (a), clauses (3) to (9), is required by a manufacturer or distributor whose children's product belongs in Tier 4 under paragraph (a), clause (2).

(f) If a manufacturer claims that any of the information provided to the agency under this section is trade secret information under section 13.37, subdivision 1, the agency shall make a determination regarding the claim. Information determined to be public data shall be posted on the agency's Web site. This paragraph does not apply to the presence and concentration and total amount of a priority chemical in a specific children's product, which is governed under section 116.9403, subdivisions 2 and 3.

(g) A trade association may file the information required under this section on behalf of a manufacturer or distributor, provided that the trade association includes in the filing a list of the manufacturers or distributors on whose behalf the trade association is reporting and all the information otherwise required of an individual manufacturer or distributor.

**Sec. 37. [116.9411] CHILDREN'S PRODUCTS; FULL PRODUCT REPORTING INFORMATION ON PRIORITY CHEMICALS; SECOND AND SUBSEQUENT REPORTS.**

(a) Following the initial submission of the information required under section 116.9410, a manufacturer or distributor of a children's product offered for sale in the state that continues to contain a priority chemical must submit the information required under section 116.9410 to the agency every two years.

(b) If a reporting party determines that there has been no change in the information required to be filed under section 116.9410 since the most recent filing, the reporting party may submit a written statement indicating that the previously filed data is still valid, in lieu of a new duplicate complete report, and must submit the required fees.

(c) If a manufacturer or distributor is required to file more than one report under section 116.9410 on the same priority chemical in the same children's product code, each subsequent report must include the following information in addition to the information required under section 116.9410:

(1) the product code of the children's product; and

(2) a description of the manufacturer's attempts to remove the priority chemical from the children's product and any evaluation made of the use of safer alternatives to substitute for the priority chemical contained in the children's product, including the Chemical Abstracts Service Registry numbers of safer alternatives considered. If the manufacturer claims that any information provided to the agency under this clause is trade secret information under section 13.37, subdivision 1, the agency shall make a determination regarding the claim.

Sec. 38. **[116.9412] CHILDREN'S PRODUCTS; REMOVING A PRIORITY CHEMICAL; REPORTING REQUIREMENT.**

A manufacturer or distributor who removes a priority chemical from a children's product for which an initial notification has been filed under section 116.9408 or for which full product information has been filed under section 116.9410 must notify the agency of the removal at the earliest date possible. If the priority chemical removed is replaced by a safer alternative, the manufacturer or distributor must provide, on a form developed by the commissioner, the information in section 116.9410, paragraph (a), clauses (1) to (7), and the name of the safer alternative and its Chemical Abstracts Service Registry number, or, if not replaced by a chemical alternative, a description of the techniques or design changes implemented. The safer alternative or nonchemical techniques or design changes are trade secrets.

Sec. 39. **[116.9419] FEES.**

(a) The agency shall, if applicable, assess and collect the following fees from manufacturers and distributors of children's products offered for sale in this state:

(1) a fee of \$1,000 for each full product report required under section 116.9410. If a children's product contains more than one priority chemical, each priority chemical is subject to this fee;

(2) a fee equal to the costs billed by the independent contractor plus the agency's actual incurred costs to bid and administer the contract for each contract issued under section 116.9410, paragraph (d); and

(3) a fee equal to twice the fee in clause (1) for the second full product report required under section 116.9410 on the same priority chemical in the same children's product. The fee for each subsequent full product report required under that section is correspondingly increased by an amount equal to the fee in clause (1).

(b) No fee is required for filing an initial notification under section 116.9408.

(c) The commissioner shall deposit all fees collected under this section in the environmental fund. All fees collected under this section are exempt from section 16A.1285.

Sec. 40. **[116.9420] STATE AGENCY DUTIES.**

(a) The agency shall publish all data that is required to be filed under sections 116.9410 and 116.9411 and that is not trade secret data on the agency's Web site and through other means determined by the commissioner.

(b) If a priority chemical continues to be used in a specific children's product after its manufacturer files a report required under section 116.9411, the commissioner may recommend options to further reduce or eliminate the use of the priority chemical in the report required under section 116.9425.

(c) The commissioner, in consultation with the commissioners of commerce and health, may use fee revenue in excess of program implementation costs to offer grants awarded competitively to manufacturers or other researchers to develop safer alternatives to priority chemicals in children's products, to establish alternatives as safer alternatives, or to accelerate the commercialization of safer alternatives.

(d) The commissioners of health and commerce shall develop and implement an education effort regarding priority chemicals in children's products. Education and outreach activities include, but are not limited to, consumer product safety advice; notification of recalls; identification of target audiences for product alerts and methods of notification; outreach and feedback at county and state fairs; publicity of reporting requirements of priority chemicals in children's products; and education of retailers about reporting requirements.

Sec. 41. **[116.9423] ENFORCEMENT.**

The agency shall enforce sections 116.9401 to 116.9424 and rules adopted thereunder in the manner provided by section 115.071, subdivisions 1, 3, 4, 5, and 6. Section 115.071, subdivision 2, does not apply to violations of sections 116.9401 to 116.9424 and rules adopted thereunder.

Sec. 42. **[116.9424] RULES.**

The commissioner or the commissioner of commerce may adopt rules as necessary to implement, administer, and enforce sections 116.9401 to 116.9425.

Sec. 43. **[116.9425] REPORT.**

By November 15, 2015, and every three years thereafter, the commissioners of the Pollution Control Agency, health, and commerce shall report to the legislative committees with jurisdiction over environment and natural resources, commerce, and public health on the implementation of sections 116.9401 to 116.9424.

Sec. 44. **[168.1295] STATE PARKS AND TRAILS PLATES.**

Subdivision 1. **General requirements and procedures.** (a) The commissioner shall issue state parks and trails plates to an applicant who:

(1) is a registered owner of a passenger automobile, recreational vehicle, one ton pickup truck, or motorcycle;

(2) pays a fee of \$10 to cover the costs of handling and manufacturing the plates;

(3) pays the registration tax required under section 168.013;

(4) pays the fees required under this chapter;

(5) contributes a minimum of \$50 annually to the state parks and trails donation account established in section 85.056; and

(6) complies with this chapter and rules governing registration of motor vehicles and licensing of drivers.

(b) The state parks and trails plate application must indicate that the contribution specified under paragraph (a), clause (5), is a minimum contribution to receive the plate and that the applicant may make an additional contribution to the account.

(c) State parks and trails plates may be personalized according to section 168.12, subdivision 2a.

Subd. 2. **Design.** After consultation with interested groups, the commissioners of natural resources and public safety shall jointly select a suitable symbol for use by the commissioner of public safety to design the state parks and trails plates.

Subd. 3. **No refund.** Contributions under this section must not be refunded.

Subd. 4. **Plate transfers.** Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile registered to the person to whom the plates were issued.

Subd. 5. **Contribution and fees credited.** Contributions under subdivision 1, paragraph (a), clause (5), must be paid to the commissioner and credited to the state parks and trails donation account established in section 85.056. The other fees collected under this section must be deposited in the vehicle services operating account of the special revenue fund under section 299A.705.

Subd. 6. **Record.** The commissioner shall maintain a record of the number of plates issued under this section.

Subd. 7. **Exemption.** Special plates issued under this section are not subject to section 168.1293, subdivision 2.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to applications submitted on or after January 1, 2016, or the date the new driver and vehicle services information technology system is implemented, whichever comes later.

Sec. 45. **[347.57] DEFINITIONS.**

Subdivision 1. **Terms.** The definitions in this section apply to sections 347.57 to 347.64.

Subd. 2. **Animal.** "Animal" means a dog or a cat.

Subd. 3. **Board.** "Board" means the Board of Animal Health.

Subd. 4. **Cat.** "Cat" means a mammal that is wholly or in part of the species Felis domesticus. An adult cat is a cat 28 weeks of age or older. A kitten is a cat under 28 weeks of age.

Subd. 5. **Commercial breeder.** "Commercial breeder" means a person who possesses or has an ownership interest in animals and is engaged in the business of breeding animals for sale or for exchange in return for consideration, and who possesses ten or more adult intact animals and whose animals produce more than five total litters of puppies or kittens per year.

Subd. 6. **Confinement area.** "Confinement area" means a structure used or designed for use to restrict an animal to a limited amount of space, such as a room, pen, cage, kennel, compartment, crate, or hutch.

Subd. 7. **Dog.** "Dog" means a mammal that is wholly or in part of the species Canis familiaris. An adult dog is a dog 28 weeks of age or older. A puppy is a dog under 28 weeks of age.

Subd. 8. **Facility.** "Facility" means the place used by a commercial breeder for breeding animals, and includes all buildings, property, confinement areas, and vehicles.

Subd. 9. **Local animal control authority.** "Local animal control authority" means an agency of the state, county, municipality, or other political subdivision of the state that is responsible for animal control operations in its jurisdiction.

Subd. 10. **Person.** "Person" means a natural person, firm, partnership, corporation, or association, however organized.

Subd. 11. **Possess.** "Possess" means to have custody of or have control over.

Subd. 12. **Veterinarian.** "Veterinarian" means a veterinarian in good standing and licensed in the state of Minnesota.

Sec. 46. **[347.58] LICENSING AND INSPECTIONS.**

Subdivision 1. **Licensing.** (a) The board may grant an operating license to a commercial breeder and must enforce sections 347.58 to 347.64.

(b) Beginning July 1, 2015, a commercial breeder must obtain an annual license for each facility it owns or operates. More than one building on the same premises is considered one facility. The initial prelicense inspection fee and the annual license fee is \$10 per adult intact animal, but each fee must not exceed \$250.

(c) The board must perform an announced initial prelicense inspection within 60 days from the date of receiving a license application. A commercial breeder is not in violation of this section if the commercial breeder has filed a completed license application with the board and the board has not performed the initial prelicense inspection. The board must inspect a commercial breeder's facility before an initial license is issued. The initial prelicense inspection fee must be included with the license application. Upon completion of the inspection, the inspector must provide the commercial breeder an inspection certificate signed by the inspector in a format approved by the board.

(d) The license application must indicate if a commercial breeder operates under more than one name from a single location or has an ownership interest in any other facility. License holders must keep separate records for each business name.

(e) The application must include a statement that includes the following information:

(1) whether any license held by an applicant under this section or under any other federal, state, county, or local law, ordinance, or other regulation relating to breeding cats or dogs was ever suspended, revoked, or denied; and

(2) whether the applicant was ever convicted of animal cruelty.

(f) An application from a partnership, corporation, or limited liability company must include the name and address of all partners, directors, officers, or members and must include a notation of any partners, directors, officers, members, or others authorized to represent the partnership, corporation, or limited liability company.

(g) A nonresident applicant must consent to adjudication of any violation under the laws of the state of Minnesota and in Minnesota courts.

(h) A license issued under this section is not transferable.

(i) A license holder must apply for license renewal annually by submitting a renewal application on a form approved by the board. The license renewal application must be postmarked or submitted electronically in a method approved by the board by July 1 of each year. The board may assess a late renewal penalty of up to 50 percent of the license fee. If a license is not renewed by August 1, the board may require the commercial breeder to reapply for an initial license.

(j) A commercial breeder must submit to the board an annual report by July 1 on a form prepared by the board. The form must include the current number of cats and dogs at the facility on the date of the report, the number of animals during the preceding year that were sold, traded, bartered, leased, brokered, given away, euthanized, or deceased from other causes, and any other information required by the board.

(k) If a commercial breeder is required to be licensed by the United States Department of Agriculture, United States Department of Agriculture inspection reports and records relating to animal care plans and veterinary care must be made available during an inspection, upon request.

(l) A commercial breeder must prominently display the commercial breeder's license at each facility.

(m) A commercial breeder's state license number or a symbol approved by the board must be included in all of the commercial breeder's advertisements or promotions that pertain to animals being sold or traded including, but not limited to, all newspapers, Internet, radio, or flyers.

(n) A commercial breeder must notify the board by certified mail or electronically in a method approved by the board within ten days of any change in address, name, management, or substantial control and ownership of the business or operation.

(o) The board must refuse to issue an initial license when a commercial breeder:

(1) is in violation of section 343.21; 343.24; 343.27; 343.28; 343.31; 343.37; 346.37; 346.38; 346.39; 346.44; or 346.155;

(2) has failed to meet any of the requirements of this section and section 347.59;

(3) is in violation of a local ordinance regarding breeders;

(4) has been convicted, other than a petty misdemeanor conviction, of cruelty to animals under Minnesota law or a substantially similar animal cruelty law of another jurisdiction;

(5) has had a substantially similar license denied, revoked, or suspended by another federal or state authority within the last five years; or

(6) has falsified any material information requested by the board.

(p) A person who has been an officer, agent, direct family member, or employee of a commercial breeder whose license was revoked or suspended and who was responsible for or participated in the violation that was a basis for the revocation or suspension may not be licensed while the revocation or suspension is in effect.

**Subd. 2. Inspections.** (a) The board must inspect each licensed facility at least annually. The inspection must be with the commercial breeder or an agent of the commercial breeder present. The inspector must submit an inspection report to the board within ten days of each inspection on a form prepared by the board. The inspection report form must list separately each law, rule, regulation, and ordinance the facility is not in compliance with and what correction is required for compliance. The inspection report form must document the animal inventory on the date of the inspection.

(b) If, after the precense inspection, the commercial breeder has two consecutive years of inspections with no violations, the board must inspect the commercial breeder at least every two years. If the commercial breeder has any violations during an inspection or if the board has cause, the board must inspect the commercial breeder at least annually.

(c) If a license to operate is suspended, revoked, or denied, the board must be granted access to the facility during normal business hours to verify that it is not operating.

**Subd. 3. Record requirements.** (a) The commercial breeder must keep records on each animal at the facility that includes:

(1) the name, address, and United States Department of Agriculture license number, if applicable, from whom an animal was received; the date the commercial breeder received the animal; the date of the animal's birth; the breed, sex, color, and identifying marks of the animal; any identifying tag, tattoo, microchip, or collar number; worming treatments, vaccinations, and name of the person who administered the vaccination; medication received by the animal while in the possession of the commercial breeder; and any disease conditions diagnosed by a veterinarian; and

(2) the name and address of the person or entity to whom an animal was transferred.

(b) The commercial breeder must maintain a copy of the records required to be kept under this subdivision for two years.

**Subd. 4. Veterinary protocol.** (a) A commercial breeder must establish and maintain a written protocol for disease control and prevention, euthanasia, and veterinary care of animals at each facility. The initial protocol must be developed under the direction and supervision of the board. A commercial breeder must maintain a written protocol that is updated at least every 12 months and that is signed and dated by the board or by a veterinarian along with the commercial breeder. The written protocol must be available to the board upon request or at the time of inspection.

(b) An animal sold or otherwise distributed by a commercial breeder must be accompanied by a veterinary health certificate completed by a veterinarian. The certificate must be completed within 30 days prior to the sale or distribution and must indicate that the animal is current with vaccinations and has no signs of infectious or contagious diseases. The certificate accompanying an adult dog that was not spayed or neutered must indicate that the dog has no signs of infectious or contagious diseases and was tested for canine brucellosis with a test approved by the board and found to be negative.

**Subd. 5. Posting of information.** The board must maintain and post in a timely manner on its Web site a list of commercial breeders licensed and in good standing under this section.

**Sec. 47. [347.59] STANDARDS OF CARE.**

(a) A commercial breeder must comply with chapters 343 and 346.

(b) A commercial breeder must ensure that animals that are part of the commercial breeder's breeding business operations are cared for as follows:

(1) cats must not be housed in outdoor confinement areas;

(2) animals exercised in groups must be compatible and show no signs of contagious or infectious disease;

(3) females in estrus must not be housed in the same confinement area with unneutered males, except for breeding purposes;

(4) animals must be provided daily enrichment and must be provided positive physical contact with human beings and compatible animals at least twice daily unless a veterinarian determines such activities would adversely affect the health or well-being of the animal;

(5) animals must not be sold, traded, or given away before the age of eight weeks unless a veterinarian determines it would be in the best interests of the health or well-being of the animal;

(6) the commercial breeder must provide identification and tracking for each animal, which is not transferable to another animal; and

(7) the commercial breeder must provide adequate staff to maintain the facility and observe each animal daily to monitor each animal's health and well-being, and to properly care for the animals.

(c) A commercial breeder must not knowingly hire staff or independent contractors who have been convicted of cruelty to animals under the law of any jurisdiction.

(d) A commercial breeder must comply with any additional standards the board considers necessary to protect the public health and welfare of animals covered under sections 347.57 to 347.61. The standards must be established by rule.

(e) A United States Department of Agriculture (USDA) licensed breeder or dealer who is in compliance with the minimum USDA regulations governing the license holder as they relate to animal confinement areas as of the effective date of this section does not have to comply with the minimum confinement area measurements under section 346.39, subdivision 4, for existing confinement areas in each facility the breeder or dealer owns. If a USDA-licensed breeder or dealer builds a new confinement area after the effective date of this section, those minimum standards must meet or exceed the minimum specifications as they relate to confinement area size under section 346.39, subdivision 4.

Sec. 48. **[347.60] INVESTIGATIONS.**

(a) The board must initiate an investigation upon receiving a formal complaint alleging violations of section 347.58 or 347.59.

(b) When a local animal control authority, a peace officer, or a humane agent appointed under section 343.01 is made aware of an alleged violation under this chapter or chapter 343 or 346, committed by a commercial breeder, the local animal control authority, peace officer, or humane agent appointed under section 343.01 must report the alleged violation in a timely manner to the board.

Sec. 49. **[347.61] CIVIL ENFORCEMENT.**

Subdivision 1. **Correction orders.** (a) The board may issue a correction order requiring a commercial breeder to correct a violation of state statutes, rules, and regulations governing breeding facilities. The correction order must state the deficiencies that constitute the violation; the specific statute, rule, or regulation violated; and when the violation must be corrected.

(b) A commercial breeder may ask the board to reconsider any portion of the correction order that the commercial breeder believes is in error. The request for reconsideration must be made in writing by certified mail or electronically in a method approved by the board within seven days after receipt of the correction order. The request for reconsideration does not stay the correction order. The board must respond to the request for reconsideration within 15 days after receiving a request. The board's disposition of a request for reconsideration is final. The board may extend the time for complying with a correction order after receiving a request for reconsideration if necessary.

(c) The board must reinspect the facility within 15 days after the time for correcting the violation has passed to determine whether the violation has been corrected. If the violation has been corrected, the board must notify the commercial breeder in writing that the commercial breeder is in compliance with the correction order. The board may charge a reinspection fee to determine if a previous violation has been corrected.

Subd. 2. **Administrative penalty orders.** After the inspection required under subdivision 1, paragraph (c), the board may issue an order requiring violations to be corrected and administratively assessing monetary penalties for violations. The administrative penalty order must include a citation of the statute, rule, or regulation violated; a description of the violation; and the amount of the penalty for each violation. A single correction order may assess a maximum administrative penalty of \$5,000.

Subd. 3. **Injunctive relief.** In addition to any other remedy provided by law, the board may bring an action for injunctive relief in the district court in Ramsey County or in the county in which a violation of the statutes, rules, or regulations governing the breeding of cats and dogs occurred to enjoin the violation.

Subd. 4. **Cease and desist.** The board must issue an order to cease a practice if its continuation would result in an immediate risk to animal welfare or public health. An order issued under this subdivision is effective for a maximum of 72 hours. The board or its designated agent must seek an injunction or take other administrative action authorized by law to restrain a practice beyond 72 hours. The issuance of a cease-and-desist order does not preclude other enforcement action by the board.

Subd. 5. **Refusal to reissue license; license suspension or revocation.** (a) The board may suspend, revoke, or refuse to renew a license as follows:

- (1) for failure to comply with a correction order;
- (2) for failure to pay an administrative penalty;
- (3) for failure to meet the requirements of section 347.58 or 347.59; or
- (4) for falsifying information requested by the board.

A license suspension, revocation, or nonrenewal may be appealed through the Office of Administrative Hearings. A notice of intent to appeal must be filed in writing with the board within 20 days after receipt of the notice of suspension, revocation, or nonrenewal.

(b) The board must revoke a license if a commercial breeder has been convicted of cruelty to animals under Minnesota law or a substantially similar animal cruelty law of another jurisdiction, or for the denial, revocation, or suspension of a similar license by another federal or state authority. A license revocation under this subdivision may be appealed through the Office of Administrative Hearings. A notice of intent to appeal must be filed in writing with the board within 20 days after receipt of the notice of revocation.

(c) A commercial breeder whose license is revoked may not reapply for licensure for two years after the date of revocation. The license is permanently revoked if the basis for the revocation was a gross misdemeanor or felony conviction for animal cruelty.

(d) A commercial breeder whose license is suspended or revoked two times is permanently barred from licensure.

Subd. 6. **Administrative hearing rights.** (a) Except as provided in paragraph (b), if the board proposes to refuse to renew, suspend, or revoke a license, the board must first notify the commercial breeder in writing of the proposed action and provide an opportunity to request a hearing under the contested case provisions of chapter 14. If the commercial breeder does not request a hearing within 20 days after receipt of the notice of the proposed action, the board may proceed with the action without a hearing.

(b) The contested case provisions of chapter 14 do not apply when the board denies a license based on an applicant's failure to meet the minimum qualifications for licensure.

(c) A commercial breeder may appeal the amount of an administrative penalty order through the Office of Administrative Hearings pursuant to the procedures set forth in chapter 14. A commercial breeder wishing to file an appeal must notify the board in writing within 20 days after receipt of the administrative penalty order.

Subd. 7. **Other jurisdictions.** The board may accept as prima facie evidence of grounds for an enforcement action under this section any enforcement or disciplinary action from another jurisdiction, if the underlying violation would be grounds for a violation under the provisions of this section.

Subd. 8. **Appeals.** A final order by the board may be appealed to the Minnesota Court of Appeals.

Sec. 50. **[347.615] BIOSECURITY; ENTRY INTO FACILITIES.**

No law enforcement officer, agent of the board, or other official may enter a commercial breeder facility unless the person follows either the biosecurity procedure issued by the board or a reasonable biosecurity procedure maintained and prominently posted by the commercial breeder at each entry to a facility, whichever is more stringent. This section does not apply in emergency or exigent circumstances.

Sec. 51. **[347.62] PENALTIES.**

(a) A violation of section 347.58 or 347.59 that results in cruelty or torture to an animal, as those terms are defined in section 343.20, subdivision 3, is subject to the penalties in section 343.21, subdivisions 9 and 10, relating to pet or companion animals.

(b) It is a misdemeanor to falsify information in a license application, annual report, or record.

(c) It is a misdemeanor for an unlicensed commercial breeder to advertise animals for sale.

(d) It is a misdemeanor for a commercial breeder to operate without a license.

Sec. 52. **[347.63] DOG AND CAT BREEDERS LICENSING ACCOUNT; APPROPRIATION.**

A dog and cat breeders licensing account is created in the special revenue fund. All fees and penalties collected by the board under sections 347.58 to 347.62 must be deposited in the state treasury and credited to the dog and cat breeders licensing account in the special revenue fund. Money in the account, including interest on the account, is annually appropriated to the board to administer those sections.

Sec. 53. **[347.64] APPLICABILITY.**

Sections 347.57 to 347.63 do not apply to:

(1) any species other than dogs and cats as they are defined in section 347.57; and

(2) veterinary clinics or veterinary hospitals.

Sec. 54. Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended by Laws 2009, chapter 37, article 1, section 61, is amended to read:

Subd. 7. **Fish and Wildlife Management** 123,000 119,000

Appropriations by Fund

General	-0-	(427,000)
Game and Fish	123,000	546,000

\$329,000 in 2009 is a reduction for fish and wildlife management.

\$46,000 in 2009 is a reduction in the appropriation for the Minnesota Shooting Sports Education Center.

\$52,000 in 2009 is a reduction for licensing.

\$123,000 in 2008 and \$246,000 in 2009 are from the game and fish fund to implement fish virus surveillance, prepare infrastructure to handle possible outbreaks, and implement control procedures for highest risk waters and fish production operations. This is a onetime appropriation.

Notwithstanding Minnesota Statutes, section 297A.94, paragraph (e), \$300,000 in 2009 is from the second year appropriation in Laws 2007, chapter 57, article 1, section 4, subdivision 7, from the heritage enhancement account in the game and fish fund ~~to study, pre-design, and design a shooting sports facility in the seven county metropolitan area~~ for shooting sports facilities. Of this amount, \$100,000 is for a grant to the Itasca County Gun Club for shooting sports facility improvements; and the remaining balance is for trap shooting facility grants under Minnesota Statutes, section 87A.10. This is available onetime only and is available until expended.

\$300,000 in 2009 is appropriated from the game and fish fund for only activities that improve, enhance, or protect fish and wildlife resources. This is a onetime appropriation.

Sec. 55. Laws 2012, chapter 249, section 11, is amended to read:

**Sec. 11. COSTS OF SCHOOL TRUST LANDS DIRECTOR AND LEGISLATIVE PERMANENT SCHOOL FUND COMMISSION.**

(a) The costs of the school trust lands director, including the costs of hiring staff, and the Legislative Permanent School Fund Commission for fiscal years 2014 ~~and 2015, and 2016~~ shall be from the state forest ~~development~~ suspense account under Minnesota Statutes, section 16A.125, and from the minerals management account under Minnesota Statutes, section 93.2236, ~~as appropriated by the legislature.~~

(b) The school trust lands director and the Legislative Permanent School Fund Commission shall submit to the ~~2014~~ 2015 legislature a proposal to fund the operational costs of the Legislative Permanent School Fund Commission and school trust lands director and staff with a cost certification method using revenues generated by the permanent school fund lands.

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

Sec. 56. **RECOGNITION; COMMERCIAL BREEDER EXCELLENCE.**

The Board of Animal Health, in consultation with representatives of the licensed commercial breeder industry, must develop a program to recognize persons who demonstrate commercial breeder excellence and exceed the standards and practices required of commercial breeders under this act.

Sec. 57. **REGISTRATION; INITIAL PRELICENSE INSPECTIONS.**

Subdivision 1. **Commercial breeder registration.** Beginning July 1, 2014, until June 30, 2015, a commercial breeder must register each facility it owns or operates by paying a registration fee not to exceed \$250 per facility to the Board of Animal Health.

Subd. 2. **Initial prelicense inspections.** Beginning July 1, 2014, the board may begin the initial prelicense inspections under Minnesota Statutes, section 347.58.

Subd. 3. **Deposits of fees.** Fees collected under this section must be deposited in the dog and cat breeders licensing account in the special revenue fund.

Sec. 58. **BEE VALUATION PROTOCOL REQUIRED.**

No later than January 1, 2015, the commissioner of agriculture must report to the house of representatives and senate committees with jurisdiction over agriculture finance the protocol that the commissioner developed, in consultation with experts, for determining the fair market value of bees, hives, colonies, apiaries, and queen apiaries for purposes of compensation under Minnesota Statutes, section 18B.055.

Sec. 59. **INVASIVE TERRESTRIAL PLANTS AND PESTS CENTER.**

Subdivision 1. **Establishment.** The Board of Regents of the University of Minnesota is requested to establish an Invasive Terrestrial Plants and Pests Center to prevent and minimize the threats posed by terrestrial invasive plants, other weeds, pathogens, and pests in order to protect the state's prairies, forests, wetlands, and agricultural resources. With the approval of the board, the College of Food, Agricultural and Natural Resource Science, in coordination with the College of Biological Sciences, shall administer the center utilizing the following departments:

(1) Entomology;

(2) Plant Pathology;

(3) Forest Resources;

(4) Horticultural Science;

(5) Fisheries Wildlife and Conservation Biology;

(6) Agronomy and Plant Genetics;

(7) Plant Biology; and

(8) Ecology, Evolution, and Behavior.

The college may also utilize the following research and outreach centers in achieving the purposes of this section: Cloquet Forestry Center; North Central Research and Outreach Center; Northwest Research and Outreach Center; Southern Research and Outreach Center; Southwest Research and Outreach Center; West Central Research and Outreach Center; Rosemount Research and Outreach Center; Horticultural Research Center; and Sand Plain Research Center.

Subd. 2. **Purpose.** The purpose of the Invasive Terrestrial Plants and Pests Center is to research and develop effective measures to prevent and minimize the threats posed by terrestrial invasive plants, pathogens, and pests, including agricultural weeds and pests, in order to protect the state's native prairies, forests, wetlands, and agricultural resources, by:

(1) creating a prioritized list of pest and plant species that threaten the state's prairies, forests, wetlands, and agricultural resources and making the list publicly accessible; and

(2) conducting research focused on the species included on the prioritized list developed under this subdivision that includes:

(i) development of new control methods, including biocontrols;

(ii) development of integrated pest management tools that minimize nontarget impacts;

(iii) research projects focused on establishment prevention, early detection, and rapid response;

(iv) an analysis of any consequences related to the management of prioritized species to the state's water, pollinators, and native prairies and other native species; and

(v) reports on the results that are made publicly accessible.

Subd. 3. **Report.** By January 15, each year as a condition of the appropriation provided under this act, the Board of Regents of the University of Minnesota shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over the environment and natural resources and agriculture on: (1) the activities and outcomes of the center; and (2) any recommendations for additional funding for education, implementation, or other activities.

Sec. 60. **REPORT REQUIRED.**

No later than January 15, 2015, the commissioner of agriculture must report to the legislative committees with jurisdiction over agriculture finance proposed legislation to implement sections 12 and 13, including a fee structure that complies with Minnesota Statutes, section 16A.1285, and is sufficient to cover the commissioner's costs. The commissioner must examine programs in other states.

Sec. 61. **REPEALER.**

Minnesota Statutes 2012, section 115A.551, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for agriculture, environment, and natural resources; modifying disposition of certain revenue; providing compensation for certain bee deaths caused by pesticide poisoning; establishing pollinator emergency response team; creating industrial hemp pilot program; defining terms; providing for nonresident off-highway motorcycle state trail pass; creating account; providing for certain grants; requiring certain recycling; modifying solid waste reduction and recycling goals; modifying certain report requirements; regulating harmful chemicals in children's products; modifying water use permit processing fee requirements; providing for state parks and trails license plates; providing for commercial dog and cat breeder licensing and inspection; providing for Invasive Terrestrial Plants and Pests Center; modifying prior appropriations; requiring reports; authorizing rulemaking; providing criminal penalties; amending Minnesota Statutes 2012, sections 13.643, subdivision 6; 13.7411, subdivision 8; 18B.01, by adding subdivisions; 18B.03, by adding a subdivision; 18B.04; 84.788, subdivision 2; 85.053, subdivision 2; 85.34, subdivision 7; 85A.02, subdivision 2; 103G.271, subdivision 6; 115A.151; 115A.55, subdivision 4; 115A.551, subdivisions 1, 2a; 115A.557, subdivisions 2, 3; 116.9401; 116.9402; 116.9403; 116.9405; 116.9406; Laws 2008, chapter 363, article 5, section 4, subdivision 7, as amended; Laws 2012, chapter 249, section 11; proposing coding for new law in Minnesota Statutes, chapters 18B; 19; 84; 85; 87A; 116; 168; 347; proposing coding for new law as Minnesota Statutes, chapter 18K; repealing Minnesota Statutes 2012, section 115A.551, subdivision 2."

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

The report was adopted.

Marquart from the Committee on Education Finance to which was referred:

H. F. No. 3171, A bill for an act relating to education; providing funding and policy modifications for early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, special education, nutrition, and self-sufficiency and lifelong learning; making forecast adjustments; appropriating money; amending Minnesota Statutes 2012, sections 122A.415, subdivision 1; 123A.05, subdivision 2; 124D.09, subdivision 13; 124D.111, by adding a subdivision; 124D.522; 124D.531, subdivision 3; 125A.76, subdivision 2; 126C.10, subdivisions 25, 26; Minnesota Statutes 2013 Supplement, sections 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.531, subdivision 1; 124D.862, subdivisions 1, 2; 125A.11, subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c; 125A.79, subdivisions 1, 5, 8; 126C.05, subdivision 15; 126C.10, subdivisions 2a, 24, 31; 126C.17, subdivisions 6, 7b, 9, 9a; 126C.44; 127A.47, subdivision 7; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, 3, 4, 5, 6, 7, 11; article 3, section 37, subdivisions 3, 4, 5, 6, 8, 20; article 4, section 9, subdivision 2; article 5, section 31, subdivisions 2, 3, 4; article 6, section 12, subdivisions 2, 3, 4, 6; article 7, section 21, subdivisions 2, 3, 4, 6, 7, 9; article 8, section 5, subdivisions 2, 3, 4, 10, 11, 14; article 9, section 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
GENERAL EDUCATION

Section 1. Minnesota Statutes 2012, section 123A.05, subdivision 2, is amended to read:

Subd. 2. **Reserve revenue.** Each district that is a member of an area learning center or alternative learning program must reserve revenue in an amount equal to the sum of (1) at least 90 and no more than 100 percent of the district average general education revenue per adjusted pupil unit minus an amount equal to the product of the

formula allowance according to section 126C.10, subdivision 2, times ~~.0485~~ .0466, calculated without basic skills revenue and transportation sparsity revenue, times the number of pupil units attending an area learning center or alternative learning program under this section, plus (2) the amount of basic skills revenue generated by pupils attending the area learning center or alternative learning program. The amount of reserved revenue under this subdivision may only be spent on program costs associated with the area learning center or alternative learning program.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2013 Supplement, section 123B.75, subdivision 5, is amended to read:

Subd. 5. **Levy recognition.** For fiscal year ~~2011~~ 2014 and later years, in June of each year, the school district must recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of May, June, and July school district tax settlement revenue received in that calendar year, plus general education aid according to section 126C.13, subdivision 4, received in July and August of that calendar year; or

(2) the sum of:

(i) ~~the greater of 48.6 percent of the referendum levy certified according to section 126C.17 in the prior calendar year, or 31 percent of the referendum levy certified according to section 126C.17 in calendar year 2000; plus~~

(ii) ~~the entire amount of the levy certified in the prior calendar year according to section 124D.4531, 124D.86, subdivision 4, for school districts receiving revenue under sections 124D.86, subdivision 3, clauses (1), (2), and (3); 124D.862, for Special School District No. 1, Minneapolis, Independent School District No. 625, St. Paul, and Independent School District No. 709, Duluth; 126C.41, subdivisions 1, 2, paragraph (a), and 3, paragraphs (b), (c), and (d); 126C.43, subdivision 2; and 126C.48, subdivision 6; plus~~

(iii) ~~48.6 percent of the amount of the levy certified in the prior calendar year for the school district's general and community service funds, plus or minus auditor's adjustments, that remains after subtracting the referendum levy certified according to section 126C.17 and the amount recognized according to item (ii).~~

Sec. 3. Minnesota Statutes 2012, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on educational and programmatic grounds only. An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program specifically designed to allow the student to earn dual high school and college credit. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses. Once a pupil has been enrolled in a postsecondary course under this section, the pupil shall not be displaced by another student.

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

Sec. 4. Minnesota Statutes 2012, section 124D.09, subdivision 13, is amended to read:

Subd. 13. **Financial arrangements.** For a pupil enrolled in a course under this section, the department must make payments according to this subdivision for courses that were taken for secondary credit.

The department must not make payments to a school district or postsecondary institution for a course taken for postsecondary credit only. The department must not make payments to a postsecondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester or who has been absent from the postsecondary institution for the first 15 consecutive school days of the quarter or semester and is not receiving instruction in the home or hospital.

A postsecondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance minus ~~\$415~~ \$425, multiplied by ~~1.3~~ 1.2, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance minus ~~\$415~~ \$425, multiplied by ~~1.3~~ 1.2, and divided by 30.

The department must pay to each postsecondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the postsecondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department notifies a postsecondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

**EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.11, subdivision 1, is amended to read:

Subdivision 1. **General education revenue.** General education revenue must be paid to a charter school as though it were a district. The general education revenue for each adjusted pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without declining enrollment revenue, local optional revenue, basic skills revenue, extended time revenue, pension adjustment revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment revenue, basic skills revenue, extended time revenue, pension adjustment revenue, and transition revenue as though the school were a school district. The general education revenue for each extended time pupil unit equals \$4,794.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 6. Minnesota Statutes 2012, section 124D.59, subdivision 2, is amended to read:

Subd. 2. **English learner.** (a) "English learner" means a pupil in kindergarten through grade 12 who meets the following requirements:

(1) the pupil, as declared by a parent or guardian first learned a language other than English, comes from a home where the language usually spoken is other than English, or usually speaks a language other than English; and

(2) the pupil is determined by a valid assessment measuring the pupil's English language proficiency and by developmentally appropriate measures, which might include observations, teacher judgment, parent recommendations, or developmentally appropriate assessment instruments, to lack the necessary English skills to participate fully in academic classes taught in English.

(b) ~~Notwithstanding paragraph (a),~~ A pupil enrolled in a Minnesota public school in grades any grade 4 through 12 who was enrolled in a Minnesota public school on the dates during in the previous school year ~~when a commissioner provided~~ took a commissioner-provided assessment ~~that measures~~ measuring the pupil's emerging

academic English ~~was administered~~, shall ~~not~~ be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall ~~not~~ generate state English learner aid under section 124D.65, subdivision 5, ~~unless if~~ the pupil scored below the state cutoff score or is otherwise counted as a nonproficient participant on ~~an~~ the assessment measuring the pupil's emerging academic English provided by the commissioner during the previous school year, or, in the judgment of the pupil's classroom teachers, consistent with section 124D.61, clause (1), the pupil is unable to demonstrate academic language proficiency in English, including oral academic language, sufficient to successfully and fully participate in the general core curriculum in the regular classroom.

(c) Notwithstanding paragraphs (a) and (b), a pupil in kindergarten through grade 12 shall not be counted as an English learner in calculating English learner pupil units under section 126C.05, subdivision 17, and shall not generate state English learner aid under section 124D.65, subdivision 5, if:

(1) the pupil is not enrolled during the current fiscal year in an educational program for English learners ~~in accordance with~~ under sections 124D.58 to 124D.64; or

(2) the pupil has generated ~~five~~ six or more years of average daily membership in Minnesota public schools since July 1, 1996.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 7. Minnesota Statutes 2013 Supplement, section 124D.65, subdivision 5, is amended to read:

Subd. 5. **School district EL revenue.** ~~(a)~~ A district's English learner programs revenue equals the product of (1) ~~\$704~~ \$726 times (2) the greater of 20 or the adjusted average daily membership of eligible English learners enrolled in the district during the current fiscal year.

~~(b) A pupil ceases to generate state English learner aid in the school year following the school year in which the pupil attains the state cutoff score on a commissioner-provided assessment that measures the pupil's emerging academic English.~~

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 8. **[124D.695] APPROVED RECOVERY PROGRAM FUNDING.**

Subdivision 1. **Approved recovery program.** "Approved recovery program" means a course of instruction offered by a recovery school that provides academic services, assistance with recovery, and continuing care to students recovering from substance abuse or dependency. A recovery program may be offered in a transitional academic setting designed to meet graduation requirements. A recovery program must be approved by the commissioner of education. The commissioner may specify the manner and form of the application for the approval of a recovery school or recovery program.

Subd. 2. **Eligibility.** An approved recovery program is eligible for an annual recovery program grant of up to \$125,000 to pay for a portion of the costs of recovery program support staff under this section. "Recovery program support staff" means licensed alcohol and chemical dependency counselors, licensed school counselors, licensed school psychologists, licensed school nurses, and licensed school social workers.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 9. Minnesota Statutes 2013 Supplement, section 126C.05, subdivision 15, is amended to read:

Subd. 15. **Learning year pupil units.** (a) When a pupil is enrolled in a learning year program under section 124D.128, an area learning center or an alternative learning program approved by the commissioner under sections 123A.05 and 123A.06, or a contract alternative program under section 124D.68, subdivision 3, paragraph (d), or subdivision 4, for more than 1,020 hours in a school year for a secondary student, more than 935 hours in a school year for an elementary student, more than 850 hours in a school year for a kindergarten student without a disability in an all-day kindergarten program, or more than 425 hours in a school year for a half-day kindergarten student without a disability, that pupil may be counted as more than one pupil in average daily membership for purposes of section 126C.10, subdivision 2a. The amount in excess of one pupil must be determined by the ratio of the number of hours of instruction provided to that pupil in excess of: (i) the greater of 1,020 hours or the number of hours required for a full-time secondary pupil in the district to 1,020 for a secondary pupil; (ii) the greater of 935 hours or the number of hours required for a full-time elementary pupil in the district to 935 for an elementary pupil in grades 1 through 6; and (iii) the greater of ~~425~~ 850 hours or the number of hours required for a full-time kindergarten student without a disability in the district to ~~425~~ 850 for a kindergarten student without a disability; ~~and (iv) the greater of 425 hours or the number of hours required for a half-time kindergarten student without a disability in the district to 425 for a half-day kindergarten student without a disability.~~ Hours that occur after the close of the instructional year in June shall be attributable to the following fiscal year. A student in kindergarten or grades 1 through 12 must not be counted as more than 1.2 pupils in average daily membership under this subdivision.

(b)(i) To receive general education revenue for a pupil in an area learning center or alternative learning program that has an independent study component, a district must meet the requirements in this paragraph. The district must develop, for the pupil, a continual learning plan consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(ii) General education revenue for a pupil in a state-approved alternative program without an independent study component must be prorated for a pupil participating for less than a full year, or its equivalent. The district must develop a continual learning plan for the pupil, consistent with section 124D.128, subdivision 3. Each school district that has an area learning center or alternative learning program must reserve revenue in an amount equal to at least 90 and not more than 100 percent of the district average general education revenue per pupil unit, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without basic skills and transportation sparsity revenue, times the number of pupil units generated by students attending an area learning center or alternative learning program. The amount of reserved revenue available under this subdivision may only be spent for program costs associated with the area learning center or alternative learning program. Basic skills revenue generated according to section 126C.10, subdivision 4, by pupils attending the eligible program must be allocated to the program.

(iii) General education revenue for a pupil in a state-approved alternative program that has an independent study component must be paid for each hour of teacher contact time and each hour of independent study time completed toward a credit or graduation standards necessary for graduation. Average daily membership for a pupil shall equal the number of hours of teacher contact time and independent study time divided by 1,020.

(iv) For a state-approved alternative program having an independent study component, the commissioner shall require a description of the courses in the program, the kinds of independent study involved, the expected learning outcomes of the courses, and the means of measuring student performance against the expected outcomes.

Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2, is amended to read:

Subd. 2. **Basic revenue.** For fiscal year 2014, the basic revenue for each district equals the formula allowance times the adjusted marginal cost pupil units for the school year. For fiscal year 2015 and later, the basic revenue for each district equals the formula allowance times the adjusted pupil units for the school year. The formula allowance for fiscal year 2013 is \$5,224. The formula allowance for fiscal year 2014 is \$5,302. The formula allowance for fiscal year 2015 and later is ~~\$5,806~~ \$5,864.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2a, is amended to read:

Subd. 2a. **Extended time revenue.** (a) A school district's extended time revenue for fiscal year 2014 is equal to the product of \$4,601 and the sum of the adjusted marginal cost pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8. A school district's extended time revenue for fiscal year 2015 and later is equal to the product of \$5,017 and the sum of the adjusted pupil units of the district for each pupil in average daily membership in excess of 1.0 and less than 1.2 according to section 126C.05, subdivision 8.

(b) A school district's extended time revenue may be used for extended day programs, extended week programs, summer school, and other programming authorized under the learning year program.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 12. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 24, is amended to read:

Subd. 24. **Equity revenue.** (a) A school district qualifies for equity revenue if:

(1) the school district's adjusted pupil unit amount of basic revenue, transition revenue, and referendum revenue is less than the value of the school district at or immediately above the 95th percentile of school districts in its equity region for those revenue categories; and

(2) the school district's administrative offices are not located in a city of the first class on July 1, 1999.

(b) Equity revenue for a qualifying district that receives referendum revenue under section 126C.17, subdivision 4, equals the product of (1) the district's adjusted pupil units for that year; times (2) the sum of (i) \$14, plus (ii) \$80, times the school district's equity index computed under subdivision 27.

(c) Equity revenue for a qualifying district that does not receive referendum revenue under section 126C.17, subdivision 4, equals the product of the district's adjusted pupil units for that year times \$14.

(d) A school district's equity revenue is increased by the greater of zero or an amount equal to the district's ~~resident adjusted~~ pupil units times the difference between ten percent of the statewide average amount of referendum revenue per ~~resident adjusted~~ pupil unit for that year and the district's referendum revenue per ~~resident adjusted~~ pupil unit. A school district's revenue under this paragraph must not exceed \$100,000 for that year.

(e) A school district's equity revenue for a school district located in the metro equity region or a school district with its administrative offices located in any Minnesota county in the Minneapolis-St. Paul-Bloomington Metropolitan Statistical Area delineated by the federal Office of Management and Budget equals the amount computed in paragraphs (b), (c), and (d) multiplied by 1.25.

(f) A school district's additional equity revenue equals \$50 times its adjusted pupil units.

**EFFECTIVE DATE.** The changes in paragraph (d) are effective for revenue for fiscal year 2015 and later. The changes in paragraph (e) are effective for revenue for fiscal years 2017 and later.

Sec. 13. Minnesota Statutes 2012, section 126C.10, subdivision 25, is amended to read:

Subd. 25. **Regional equity gap.** The regional equity gap equals the difference between the value of the school district at or immediately above the fifth percentile of adjusted general revenue per adjusted ~~marginal-cost~~ pupil unit and the value of the school district at or immediately above the 95th percentile of adjusted general revenue per adjusted ~~marginal-cost~~ pupil unit.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 14. Minnesota Statutes 2012, section 126C.10, subdivision 26, is amended to read:

Subd. 26. **District equity gap.** A district's equity gap equals the greater of zero or the difference between the district's adjusted general revenue and the value of the school district at or immediately above the regional 95th percentile of adjusted general revenue per adjusted ~~marginal-cost~~ pupil unit.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 15. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 31, is amended to read:

Subd. 31. **Transition revenue.** (a) A district's transition allowance equals the sum of the transition revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.10, subdivisions 31, 31a, and 31c, and the greater of zero or the difference between:

(1) the sum of:

(i) the general education revenue the district would have received for fiscal year 2015 according to Minnesota Statutes 2012, section 126C.10;

(ii) the integration revenue the district received for fiscal year 2013 under Minnesota Statutes 2012, section 124D.86;

(iii) the pension adjustment the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 127A.50;

(iv) the special education aid the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 125A.76; and

(v) the special education excess cost aid the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 125A.79; and

(2) the sum of the district's:

- (i) general education revenue for fiscal year 2015 excluding transition revenue under this section;
- (ii) achievement and integration revenue for fiscal year 2015 under section 124D.862; ~~and~~
- (iii) special education aid for fiscal year 2015 under section 125A.76; and
- (iv) alternative teacher compensation revenue for fiscal year 2015 under section 122A.415.

divided by the number of adjusted pupil units for fiscal year 2015.

(b) A district's transition revenue for fiscal year 2015 and later equals the product of the district's transition allowance times the district's adjusted pupil units.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 16. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 6, is amended to read:

Subd. 6. **Referendum equalization levy.** (a) ~~For fiscal year 2003 and later,~~ A district's referendum equalization levy equals the sum of the first tier referendum equalization levy, the second tier referendum equalization levy, and the third tier referendum equalization levy.

(b) A district's first tier referendum equalization levy equals the district's first tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$880,000.

(c) A district's second tier referendum equalization levy equals the district's second tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$510,000.

(d) A district's third tier referendum equalization levy equals the district's third tier referendum equalization revenue times the lesser of one or the ratio of the district's referendum market value per resident pupil unit to \$290,000.

Sec. 17. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 7b, is amended to read:

Subd. 7b. **Referendum aid guarantee.** (a) Notwithstanding subdivision 7, the sum of a district's referendum equalization aid and location equity aid under section 126C.10, subdivision 2e, for fiscal year 2015 must not be less than the sum of the referendum equalization aid the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 7, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c).

(b) Notwithstanding subdivision 7, the sum of referendum equalization aid and location equity aid under section 126C.10, subdivision 2e, for fiscal year 2016 and later, for a district qualifying for additional aid under paragraph (a) for fiscal year 2015, must not be less than the product of (1) the district's referendum equalization aid for fiscal year 2015, times (2) the lesser of one or the ratio of the district's referendum revenue for that school year to the district's referendum revenue for fiscal year 2015, times (3) the lesser of one or the ratio of the district's referendum market value used for fiscal year 2015 referendum equalization calculations to the district's referendum market value used for that year's referendum equalization calculations.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 18. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9, is amended to read:

Subd. 9. **Referendum revenue.** (a) The revenue authorized by section 126C.10, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the board. The referendum must be conducted one or two calendar years before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under subdivision 11, paragraph (a), the referendum must be held on the first Tuesday after the first Monday in November. The ballot must state the maximum amount of the increased revenue per adjusted pupil unit. The ballot may state a schedule, determined by the board, of increased revenue per adjusted pupil unit that differs from year to year over the number of years for which the increased revenue is authorized or may state that the amount shall increase annually by the rate of inflation. For this purpose, the rate of inflation shall be the annual inflationary increase calculated under subdivision 2, paragraph (b). The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot must designate the specific number of years, not to exceed ten, for which the referendum authorization applies. The ballot, including a ballot on the question to revoke or reduce the increased revenue amount under paragraph (c), must abbreviate the term "per adjusted pupil unit" as "per pupil." The notice required under section 275.60 may be modified to read, in cases of renewing existing levies at the same amount per pupil as in the previous year:

"BY VOTING "YES" ON THIS BALLOT QUESTION, YOU ARE VOTING TO EXTEND AN EXISTING PROPERTY TAX REFERENDUM THAT IS SCHEDULED TO EXPIRE."

The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of ....., School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per adjusted pupil unit times the adjusted pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The board must prepare and deliver by first class mail at least 15 days but no more than 30 days before the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners must be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer is deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy in the first year, if any, in annual dollars for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes." However, in cases of renewing existing levies, the notice may include the following statement: "Passage of this referendum extends an existing operating referendum at the same amount per pupil as in the previous year."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the board. A referendum to revoke or reduce the revenue amount must state the amount per ~~resident marginal cost~~ adjusted pupil unit by which the authority is to be reduced. Revenue authority approved by the voters of the district pursuant to paragraph (a) must be available to the school district at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(e) At least 15 days before the day of the referendum, the district must submit a copy of the notice required under paragraph (b) to the commissioner and to the county auditor of each county in which the district is located. Within 15 days after the results of the referendum have been certified by the board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district must notify the commissioner of the results of the referendum.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 19. Minnesota Statutes 2013 Supplement, section 126C.17, subdivision 9a, is amended to read:

Subd. 9a. **Board-approved referendum allowance.** Notwithstanding subdivision 9, a school district may convert up to \$300 per adjusted pupil unit of referendum authority from voter approved to board approved by a board vote. A district with less than \$300 per adjusted pupil unit of referendum authority after the local optional revenue subtraction under subdivision 1 may authorize new referendum authority up to the difference between \$300 per adjusted pupil unit and the district's referendum authority. The board may authorize this levy for up to five years and may subsequently reauthorize that authority in increments of up to five years.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 20. Minnesota Statutes 2013 Supplement, section 126C.44, is amended to read:

**126C.44 SAFE SCHOOLS LEVY.**

(a) Each district may make a levy on all taxable property located within the district for the purposes specified in this section. The maximum amount which may be levied for all costs under this section shall be equal to \$36 multiplied by the district's adjusted pupil units for the school year. The proceeds of the levy must be reserved and used for directly funding the following purposes or for reimbursing the cities and counties who contract with the district for the following purposes:

(1) to pay the costs incurred for the salaries, benefits, and transportation costs of peace officers and sheriffs for liaison in services in the district's schools;

(2) to pay the costs for a drug abuse prevention program as defined in section 609.101, subdivision 3, paragraph (e), in the elementary schools;

(3) to pay the costs for a gang resistance education training curriculum in the district's schools;

(4) to pay the costs for security in the district's schools and on school property;

(5) to pay the costs for other crime prevention, drug abuse, student and staff safety, voluntary opt-in suicide prevention tools, and violence prevention measures taken by the school district;

(6) to pay costs for licensed school counselors, licensed school nurses, licensed school social workers, licensed school psychologists, and licensed alcohol and chemical dependency counselors to help provide early responses to problems;

(7) to pay for facility security enhancements including laminated glass, public announcement systems, emergency communications devices, and equipment and facility modifications related to violence prevention and facility security;

(8) to pay for costs associated with improving the school climate; or

(9) to pay costs for collocating and collaborating with mental health professionals who are not district employees or contractors.

(b) For expenditures under paragraph (a), clause (1), the district must initially attempt to contract for services to be provided by peace officers or sheriffs with the police department of each city or the sheriff's department of the county within the district containing the school receiving the services. If a local police department or a county sheriff's department does not wish to provide the necessary services, the district may contract for these services with any other police or sheriff's department located entirely or partially within the school district's boundaries.

(c) A school district that is a member of an intermediate school district may include in its authority under this section the costs associated with safe schools activities authorized under paragraph (a) for intermediate school district programs. This authority must not exceed \$10 \$15 times the adjusted ~~marginal-cost~~ pupil units of the member districts. This authority is in addition to any other authority authorized under this section. Revenue raised under this paragraph must be transferred to the intermediate school district.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and later.

Sec. 21. Minnesota Statutes 2012, section 127A.45, subdivision 2, is amended to read:

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

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

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

(2) the sum of

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

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

(iii) the other district receipts.

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

(d) The current year aid payment percentage equals ~~73 in fiscal year 2010 and 70 in fiscal year 2011, and 60 in fiscal years 2012 and later~~ 90.

Sec. 22. Minnesota Statutes 2012, section 127A.45, subdivision 3, is amended to read:

Subd. 3. **Payment dates and percentages.** (a) The commissioner shall pay to a district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (1) the district's other district receipts through the current payment, and (2) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	5.5
Payment 2	July 30:	8.0
Payment 3	August 15:	17.5
Payment 4	August 30:	20.0
Payment 5	September 15:	22.5
Payment 6	September 30:	25.0
Payment 7	October 15:	27.0
Payment 8	October 30:	30.0
Payment 9	November 15:	32.5
Payment 10	November 30:	36.5
Payment 11	December 15:	42.0
Payment 12	December 30:	45.0
Payment 13	January 15:	50.0
Payment 14	January 30:	54.0
Payment 15	February 15:	58.0
Payment 16	February 28:	63.0
Payment 17	March 15:	68.0
Payment 18	March 30:	74.0
Payment 19	April 15:	78.0
Payment 20	April 30:	85.0
Payment 21	May 15:	90.0
Payment 22	May 30:	95.0
Payment 23	June 20:	100.0

(b) In addition to the amounts paid under paragraph (a), the commissioner shall pay to a school district or charter school on the dates indicated an amount computed as follows:

Payment 3	August 15: the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392
Payment 4	August 30: 30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits

Payment 6	September 30: 40 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits
Payment 8	October 30: 30 percent of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits

(c) Notwithstanding paragraph (b), if the current year aid payment percentage under subdivision 2, paragraph (d), is less than 90, in addition to the amounts paid under paragraph (a), the commissioner shall pay to a charter school on the dates indicated an amount computed as follows:

Payment 1	July 15: 75 percent of the final adjustment for the prior fiscal year for all aid entitlements
Payment 8	October 30: 25 percent of the final adjustment for the prior fiscal year for all aid entitlements

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

Sec. 23. Minnesota Statutes 2013 Supplement, section 127A.47, subdivision 7, is amended to read:

Subd. 7. **Alternative attendance programs.** (a) The general education aid and special education aid for districts must be adjusted for each pupil attending a nonresident district under sections 123A.05 to 123A.08, 124D.03, 124D.08, and 124D.68. The adjustments must be made according to this subdivision.

(b) For purposes of this subdivision, the "unreimbursed cost of providing special education and services" means the difference between: (1) the actual cost of providing special instruction and services, including special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, for a pupil with a disability, as defined in section 125A.02, or a pupil, as defined in section 125A.51, who is enrolled in a program listed in this subdivision, minus (2) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid as defined in section 125A.11, subdivision 1, paragraph (c), attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, minus (3) special education aid under section 125A.76 attributable to that pupil, that is received by the district providing special instruction and services. For purposes of this paragraph, general education revenue and referendum equalization aid attributable to a pupil must be calculated using the serving district's average general education revenue and referendum equalization aid per adjusted pupil unit.

(c) For fiscal year 2015 and later, special education aid paid to a resident district must be reduced by an amount equal to 90 percent of the unreimbursed cost of providing special education and services.

(d) Notwithstanding paragraph (c), special education aid paid to a resident district must be reduced by an amount equal to 100 percent of the unreimbursed cost of special education and services provided to students at an intermediate district, cooperative, or charter school where the percent of students eligible for special education services is at least 70 percent of the charter school's total enrollment.

(e) Special education aid paid to the district or cooperative providing special instruction and services for the pupil, or to the fiscal agent district for a cooperative, must be increased by the amount of the reduction in the aid paid to the resident district under paragraphs (c) and (d). If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aids due to the district.

(f) An area learning center operated by a service cooperative, intermediate district, education district, or a joint powers cooperative may elect through the action of the constituent boards to charge the resident district tuition for pupils rather than to have the general education revenue paid to a fiscal agent school district. Except as provided in

paragraph (e), the district of residence must pay tuition equal to at least 90 and no more than 100 percent of the district average general education revenue per pupil unit minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without compensatory revenue and transportation sparsity revenue, times the number of pupil units for pupils attending the area learning center.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 24. Laws 2012, chapter 263, section 1, is amended to read:

Section 1. **INNOVATIVE DELIVERY OF EDUCATION SERVICES AND SHARING OF DISTRICT RESOURCES; PILOT PROJECT.**

Subdivision 1. **Establishment; requirements for participation.** (a) ~~A five-year pilot project for the 2013-2014 through 2017-2018 school years~~ is established to improve student and school outcomes by allowing groups of school districts to work together to provide innovative education programs and activities and share district resources. The pilot project may last until June 30, 2018, or for up to five years, whichever is less, except that innovation partnerships formed during the period of the pilot project may continue past June 30, 2018, with the agreement of the partnership members.

(b) To participate in this pilot project to improve student and school outcomes, a group of two or more school districts must collaborate with school staff and receive formal school board approval to form a partnership. The partnership must develop a plan to provide challenging programmatic options for students, create professional development opportunities for educators, increase student engagement and connection and challenging learning opportunities for students, or demonstrate efficiencies in delivering financial and other services. The plan must establish:

- (1) collaborative educational goals and objectives;
- (2) strategies and processes to implement those goals and objectives, including a budget process with periodic expenditure reviews;
- (3) valid and reliable measures to evaluate progress in realizing the goals and objectives;
- (4) an implementation timeline; and
- (5) other applicable conditions, regulations, responsibilities, duties, provisions, fee schedules, and legal considerations needed to fully implement the plan.

A partnership may invite additional districts to join the partnership during the pilot project term after notifying the commissioner.

(c) A partnership of interested districts must apply by February 1, ~~2013,~~ of any year to the education commissioner in the form and manner the commissioner determines, consistent with this section. The application must contain the formal approval adopted by the school board in each district to participate in the plan.

(d) Notwithstanding other law to the contrary, a participating school district under this section continues to: receive revenue and maintain its taxation authority; be organized and governed by an elected school board with general powers under Minnesota Statutes, section 123B.02; and be subject to employment agreements under Minnesota Statutes, chapter 122A, and Minnesota Statutes, section 179A.20; and district employees continue to remain employees of the employing school district.

Subd. 2. **Commissioner's role.** Interested groups of school districts must submit a completed application to the commissioner by March 1, ~~2013~~, of any year in the form and manner determined by the commissioner. The education commissioner must convene an advisory panel composed of a teacher appointed by Education Minnesota, a school principal appointed by the Minnesota Association of Secondary School Principals, a school board member appointed by the Minnesota School Boards Association, and a school superintendent appointed by the Minnesota Association of School Administrators to advise the commissioner on applicants' qualifications to participate in this pilot project. The commissioner ~~must select between three and~~ may select up to six qualified applicants under subdivision 1 by April 1, ~~2013~~, of any year to participate in this pilot project, ensuring an equitable geographical distribution of project participants to the extent practicable. The commissioner must select only those applicants that fully comply with the requirements in subdivision 1. The commissioner must terminate a project participant that fails to effectively implement the goals and objectives contained in its application and according to its stated timeline.

Subd. 3. **Pilot project evaluation.** Participating school districts must submit pilot project data to the commissioner in the form and manner determined by the commissioner. The education commissioner must analyze participating districts' progress in realizing their educational goals and objectives to work together in providing innovative education programs and activities and sharing resources. The commissioner must include the analysis of best practices in a report to the legislative committees with jurisdiction over kindergarten through grade 12 education finance and policy on the efficacy of this pilot project. The commissioner ~~may~~ shall submit an interim project report ~~at any time by February 1, 2016~~, and must submit a final report to the legislature by February 1, ~~2018~~ 2019, recommending whether or not to continue or expand the pilot project.

Sec. 25. Laws 2012, chapter 263, section 1, the effective date, is amended to read:

**EFFECTIVE DATE.** This section is effective the day following final enactment ~~and applies to the 2013-2014 through 2017-2018 school years.~~

Sec. 26. Laws 2013, chapter 116, article 1, section 58, subdivision 2, is amended to read:

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

<del>\$6,051,766,000</del> <u>6,851,972,000</u>	.....	2014
<del>\$6,370,640,000</del> <u>6,495,698,000</u>	.....	2015

The 2014 appropriation includes ~~\$781,842,000~~ \$780,709,000 for 2013 and ~~\$5,269,924,000~~ \$6,071,263,000 for 2014.

The 2015 appropriation includes ~~\$823,040,000~~ \$589,097,000 for 2014 and ~~\$5,547,600,000~~ \$5,906,601,000 for 2015.

Sec. 27. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Recovery program grants.** For recovery program grants under Minnesota Statutes, section 124D.695:

<u>\$500,000</u>	.....	<u>2015</u>
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Sec. 28. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, the revisor of statutes shall change the term "location equity" to "local optional."

ARTICLE 2  
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2012, section 122A.40, subdivision 13, is amended to read:

Subd. 13. **Immediate discharge.** (a) Except as otherwise provided in paragraph (b), a board may discharge a continuing-contract teacher, effective immediately, upon any of the following grounds:

- (1) immoral conduct, insubordination, or conviction of a felony;
- (2) conduct unbecoming a teacher which requires the immediate removal of the teacher from classroom or other duties;
- (3) failure without justifiable cause to teach without first securing the written release of the school board;
- (4) gross inefficiency which the teacher has failed to correct after reasonable written notice;
- (5) willful neglect of duty; or
- (6) continuing physical or mental disability subsequent to a 12 months leave of absence and inability to qualify for reinstatement in accordance with subdivision 12.

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

Prior to discharging a teacher under this paragraph, the board must notify the teacher in writing and state its ground for the proposed discharge in reasonable detail. Within ten days after receipt of this notification the teacher may make a written request for a hearing before the board and it shall be granted before final action is taken. The board may suspend a teacher with pay pending the conclusion of the hearing and determination of the issues raised in the hearing after charges have been filed which constitute ground for discharge. If a teacher has been charged with a felony and the underlying conduct that is the subject of the felony charge is a ground for a proposed immediate discharge, the suspension pending the conclusion of the hearing and determination of the issues may be without pay. If a hearing under this paragraph is held, the board must reimburse the teacher for any salary or compensation withheld if the final decision of the board or the arbitrator does not result in a penalty to or suspension, termination, or discharge of the teacher.

(b) A board must discharge a continuing-contract teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a

school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph.

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

Sec. 2. Minnesota Statutes 2012, section 122A.41, subdivision 6, is amended to read:

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

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

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

(b) A probationary or continuing-contract teacher must be discharged immediately upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) When a teacher is discharged under paragraph (b) or when the commissioner makes a final determination of child maltreatment involving a teacher under section 626.556, subdivision 11, the school principal or other person having administrative control of the school must include in the teacher's employment record the information contained in the record of the disciplinary action or the final maltreatment determination, consistent with the definition of public data under section 13.41, subdivision 5, and must provide the Board of Teaching and the licensing division at the department with the necessary and relevant information to enable the Board of Teaching and the department's licensing division to fulfill their statutory and administrative duties related to issuing, renewing, suspending, or revoking a teacher's license. Information received by the Board of Teaching or the licensing division at the department under this paragraph is governed by section 13.41 or other applicable law governing data of the receiving entity. In addition to the background check required under section 123B.03, a school board or other school hiring authority must contact the Board of Teaching and the department to determine whether the teacher's license has been suspended or revoked, consistent with the discharge and final maltreatment determinations identified in this paragraph.

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

Sec. 3. Minnesota Statutes 2012, section 122A.415, subdivision 1, is amended to read:

Subdivision 1. **Revenue amount.** (a) A school district, intermediate school district, school site, or charter school that meets the conditions of section 122A.414 and submits an application approved by the commissioner is eligible for alternative teacher compensation revenue.

(b) For school district and intermediate school district applications, the commissioner must consider only those applications to participate that are submitted jointly by a district and the exclusive representative of the teachers. The application must contain an alternative teacher professional pay system agreement that:

(1) implements an alternative teacher professional pay system consistent with section 122A.414; and

(2) is negotiated and adopted according to the Public Employment Labor Relations Act under chapter 179A, except that notwithstanding section 179A.20, subdivision 3, a district may enter into a contract for a term of two or four years.

Alternative teacher compensation revenue for a qualifying school district or site in which the school board and the exclusive representative of the teachers agree to place teachers in the district or at the site on the alternative teacher professional pay system equals \$260 times the number of pupils enrolled at the district or site on October 1 of the previous fiscal year. Alternative teacher compensation revenue for a qualifying intermediate school district must be calculated under ~~section 126C.10, subdivision 34~~ subdivision 4, paragraphs (a) and (b).

(c) For a newly combined or consolidated district, the revenue shall be computed using the sum of pupils enrolled on October 1 of the previous year in the districts entering into the combination or consolidation. The commissioner may adjust the revenue computed for a site using prior year data to reflect changes attributable to school closings, school openings, or grade level reconfigurations between the prior year and the current year.

(d) The revenue is available only to school districts, intermediate school districts, school sites, and charter schools that fully implement an alternative teacher professional pay system by October 1 of the current school year.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 4. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 1, is amended to read:

Subdivision 1. **Initial achievement and integration revenue.** (a) An eligible district's initial achievement and integration revenue equals the lesser of 100.3 percent of the district's expenditures under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c), excluding expenditures used to generate incentive revenue under subdivision 2, or the sum of (1) \$350 times the district's adjusted pupil units for that year times the ratio of the district's enrollment of protected students for the previous school year to total enrollment for the previous school year and (2) the greater of zero or 66 percent of the difference between the district's integration revenue for fiscal year 2013 and the district's integration revenue for fiscal year 2014 under clause (1).

(b) In each year, 0.3 percent of each district's initial achievement and integration revenue is transferred to the department for the oversight and accountability activities required under this section and section 124D.861.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.862, subdivision 2, is amended to read:

Subd. 2. **Incentive revenue.** An eligible school district's maximum incentive revenue equals \$10 per adjusted pupil unit. ~~In order to receive this revenue, a district must be~~ A district's incentive revenue equals the lesser of the maximum incentive revenue or the district's expenditures for implementing a voluntary plan to reduce racial and economic enrollment disparities through intradistrict and interdistrict activities that have been approved as a part of the district's achievement and integration plan under the budget approved by the commissioner under section 124D.861, subdivision 3, paragraph (c).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 6. Laws 2013, chapter 116, article 3, section 37, subdivision 11, is amended to read:

Subd. 11. **Concurrent enrollment program.** For concurrent enrollment programs under Minnesota Statutes, section 124D.091:

	\$2,000,000	.....	2014
	<del>\$2,000,000</del> <u>3,897,000</u>	.....	2015

If the appropriation is insufficient, the commissioner must proportionately reduce the aid payment to each district.

Any balance in the first year does not cancel but is available in the second year. The annual base budget for this program is \$2,000,000 for fiscal years 2016 and 2017.

Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 15, is amended to read:

Subd. 15. **Early childhood literacy programs.** For early childhood literacy programs under Minnesota Statutes, section 119A.50, subdivision 3:

	\$4,125,000	.....	2014
	<del>\$4,125,000</del> <u>4,625,000</u>	.....	2015

Up to \$4,125,000 ~~each in the first year and \$4,625,000 in the second year~~ is for leveraging federal and private funding to support AmeriCorps members serving in the Minnesota Reading Corps program established by ServeMinnesota, including costs associated with the training and teaching of early literacy skills to children age three to grade 3 and the evaluation of the impact of the program under Minnesota Statutes, sections 124D.38, subdivision 2, and 124D.42, subdivision 6. Up to \$500,000 in fiscal year 2015 must be used to support priority and focus schools as defined by the Department of Education and to expand kindergarten programming.

Any balance in the first year does not cancel but is available in the second year.

Sec. 8. **BETTER ALIGNING MINNESOTA'S ALTERNATIVE TEACHER PROFESSIONAL PAY SYSTEM AND TEACHER DEVELOPMENT AND EVALUATION PROGRAM.**

To better align Minnesota's alternative teacher professional pay system under Minnesota Statutes, sections 122A.413 to 122A.416, and Minnesota's teacher development and evaluation program under Minnesota Statutes, sections 122A.40, subdivision 8, and 122A.41, subdivision 5, and effect and fund an improved alignment of this system and program, the commissioner of education must consult with stakeholders, including, but not limited to, representatives of the Minnesota Association of School Administrators, the Minnesota Association of Secondary School Principals, the Minnesota Elementary School Principals' Association, Education Minnesota, Schools for Equity in Education, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, the Minnesota School Boards Association, the Department of Education, the College of Education and Human Development at the University of Minnesota, the Minnesota Association of the Colleges for Teacher Education, licensed elementary and secondary school teachers employed in school districts with an alternative teacher professional pay system agreement and licensed elementary and secondary school teachers employed in school districts without an alternative teacher professional pay system agreement, where one or more of these teachers may be a master teacher, peer evaluator, in another teacher leader position, or national board certified teacher, a teacher or school administrator employed in a Minnesota charter school with an alternative teacher professional pay system agreement and a teacher or school administrator employed in a Minnesota charter school without an alternative teacher professional pay system agreement, a parent or guardian of a student currently enrolled in a Minnesota public school, the Association of Metropolitan School Districts, and the Minnesota Rural Education Association. The commissioner also must consult with members of the house of representatives and members of the senate.

The commissioner, by February 1, 2015, must submit to the education policy and finance committees of the legislature written recommendations on better aligning and financing the alternative teacher professional pay system and teacher development and evaluation program.

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

Sec. 9. **CAREER AND TECHNICAL EDUCATION PROGRAM INVENTORY.**

(a) The commissioner of education must consult with experts knowledgeable about secondary and postsecondary career and technical education programs to determine the content and status of particular career and technical education programs in Minnesota school districts, including cooperating districts under Minnesota Statutes, 123A.33, subdivision 2, integration districts, and postsecondary institutions partnering with school districts or offering courses through PSEO or career and technical programs and the rates of student participation and completion for these various programs, including: agriculture, food, and natural resources; architecture and construction; arts, audiovisual technology, and communications; business management and administration; computer science; family and consumer science; finance; health science; hospitality and tourism; human services; information technology; manufacturing; marketing; science, technology, engineering, and mathematics; and transportation, distribution, and logistics.

(b) To accomplish paragraph (a) and to understand the current role of local school districts and postsecondary institutions in providing career and technical education programs, the commissioner of education, in consultation with experts, also must examine the extent to which secondary and postsecondary education programs offer students a progression of coordinated, nonduplicative courses that adequately prepare students to successfully complete a career and technical education program.

(c) The commissioner of education must submit a report by February 1, 2015, to the education policy and finance committees of the legislature, consistent with this section, and include information about each district's dedicated equipment, resources, and relationships with postsecondary institutions and the local business community.

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

Sec. 10. **APPROPRIATIONS.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Career and technical program inventory.** For the career and technical program inventory program under section 9:

<u>\$150,000</u>	<u>.....</u>	<u>2015</u>
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This is a onetime appropriation.

Subd. 3. **Teacher Professional Pay System and Teacher Evaluation Program alignment.** For the alignment and reporting activities under section 8:

<u>\$25,000</u>	<u>.....</u>	<u>2015</u>
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ARTICLE 3  
SPECIAL EDUCATION

Section 1. Minnesota Statutes 2013 Supplement, section 125A.0942, is amended to read:

**125A.0942 STANDARDS FOR RESTRICTIVE PROCEDURES.**

Subdivision 1. **Restrictive procedures plan.** (a) Schools that intend to use restrictive procedures shall maintain and make publicly accessible in an electronic format on a school or district Web site or make a paper copy available upon request describing a restrictive procedures plan for children with disabilities that at least:

(1) lists the restrictive procedures the school intends to use;

(2) describes how the school will implement a range of positive behavior strategies and provide links to mental health services;

(3) describes how the school will provide training on de-escalation techniques, consistent with section 122A.09, subdivision 4, paragraph (k);

(4) describes how the school will monitor and review the use of restrictive procedures, including:

(i) conducting post-use debriefings, consistent with subdivision 3, paragraph (a), clause (5); and

(ii) convening an oversight committee to undertake a quarterly review of the use of restrictive procedures based on patterns or problems indicated by similarities in the time of day, day of the week, duration of the use of a procedure, the individuals involved, or other factors associated with the use of restrictive procedures; the number of times a restrictive procedure is used schoolwide and for individual children; the number and types of injuries, if any, resulting from the use of restrictive procedures; whether restrictive procedures are used in nonemergency situations; the need for additional staff training; and proposed actions to minimize the use of restrictive procedures; and

~~(4)~~ (5) includes a written description and documentation of the training staff completed under subdivision 5.

(b) Schools annually must publicly identify oversight committee members who must at least include:

(1) a mental health professional, school psychologist, or school social worker;

(2) an expert in positive behavior strategies;

(3) a special education administrator; and

(4) a general education administrator.

Subd. 2. **Restrictive procedures.** (a) Restrictive procedures may be used only by a licensed special education teacher, school social worker, school psychologist, behavior analyst certified by the National Behavior Analyst Certification Board, a person with a master's degree in behavior analysis, other licensed education professional, paraprofessional under section 120B.363, or mental health professional under section 245.4871, subdivision 27, who has completed the training program under subdivision 5.

(b) A school shall make reasonable efforts to notify the parent on the same day a restrictive procedure is used on the child, or if the school is unable to provide same-day notice, notice is sent within two days by written or electronic means or as otherwise indicated by the child's parent under paragraph ~~(d)~~ (f).

(c) The district must hold a meeting of the individualized education program team, conduct or review a functional behavioral analysis, review data, consider developing additional or revised positive behavioral interventions and supports, consider actions to reduce the use of restrictive procedures, and modify the individualized education program or behavior intervention plan as appropriate. The district must hold the meeting: within ten calendar days after district staff use restrictive procedures on two separate school days within 30 calendar days or a pattern of use emerges and the child's individualized education program or behavior intervention plan does not provide for using restrictive procedures in an emergency; or at the request of a parent or the district after restrictive procedures are used. The district must review use of restrictive procedures at a child's annual individualized education program meeting when the child's individualized education program provides for using restrictive procedures in an emergency.

(d) If the individualized education program team under paragraph (c) determines that existing interventions and supports are ineffective in reducing the use of restrictive procedures or the district uses restrictive procedures on a child on ten or more school days during the same school year, the team, as appropriate, either must consult with other professionals working with the child; consult with experts in behavior analysis, mental health, communication, or autism; consult with culturally competent professionals; review existing evaluations, resources, and successful strategies; or consider whether to reevaluate the child.

(e) At the individualized education program meeting under paragraph (c), the team must review any known medical or psychological limitations, including any medical information the parent provides voluntarily, that contraindicate the use of a restrictive procedure, consider whether to prohibit that restrictive procedure, and document any prohibition in the individualized education program or behavior intervention plan.

(f) An individualized education program team may plan for using restrictive procedures and may include these procedures in a child's individualized education program or behavior intervention plan; however, the restrictive procedures may be used only in response to behavior that constitutes an emergency, consistent with this section. The individualized education program or behavior intervention plan shall indicate how the parent wants to be notified when a restrictive procedure is used.

**Subd. 3. Physical holding or seclusion.** (a) Physical holding or seclusion may be used only in an emergency. A school that uses physical holding or seclusion shall meet the following requirements:

- (1) physical holding or seclusion is the least intrusive intervention that effectively responds to the emergency;
- (2) physical holding or seclusion is not used to discipline a noncompliant child;
- (3) physical holding or seclusion ends when the threat of harm ends and the staff determines the child can safely return to the classroom or activity;
- (4) staff directly observes the child while physical holding or seclusion is being used;
- (5) each time physical holding or seclusion is used, the staff person who implements or oversees the physical holding or seclusion documents, as soon as possible after the incident concludes, the following information:
  - (i) a description of the incident that led to the physical holding or seclusion;
  - (ii) why a less restrictive measure failed or was determined by staff to be inappropriate or impractical;
  - (iii) the time the physical holding or seclusion began and the time the child was released; and
  - (iv) a brief record of the child's behavioral and physical status;

(6) the room used for seclusion must:

(i) be at least six feet by five feet;

(ii) be well lit, well ventilated, adequately heated, and clean;

(iii) have a window that allows staff to directly observe a child in seclusion;

(iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;

(v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and

(vi) not contain objects that a child may use to injure the child or others;

(7) before using a room for seclusion, a school must:

(i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and

(ii) register the room with the commissioner, who may view that room; and

(8) until August 1, 2015, a school district may use prone restraints with children age five or older if:

(i) the district has provided to the department a list of staff who have had specific training on the use of prone restraints;

(ii) the district provides information on the type of training that was provided and by whom;

(iii) only staff who received specific training use prone restraints;

(iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department; and

(v) the district, before using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.

The department must collect data on districts' use of prone restraints and publish the data in a readily accessible format on the department's Web site on a quarterly basis.

(b) By ~~March 1, 2014~~ February 1, 2015, and annually thereafter, stakeholders must recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts' progress in reducing the use of restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The commissioner must consult with interested stakeholders when preparing the report, including representatives of advocacy organizations, special education directors, teachers, paraprofessionals, intermediate school districts, school boards, day treatment providers, county social services, state human services department

staff, mental health professionals, and autism experts. By June 30 each year, districts must report summary data on their use of restrictive procedures to the department, in a form and manner determined by the commissioner. The summary data must include information about the use of restrictive procedures, including use of reasonable force under section 121A.582.

Subd. 4. **Prohibitions.** The following actions or procedures are prohibited:

- (1) engaging in conduct prohibited under section 121A.58;
- (2) requiring a child to assume and maintain a specified physical position, activity, or posture that induces physical pain;
- (3) totally or partially restricting a child's senses as punishment;
- (4) presenting an intense sound, light, or other sensory stimuli using smell, taste, substance, or spray as punishment;
- (5) denying or restricting a child's access to equipment and devices such as walkers, wheelchairs, hearing aids, and communication boards that facilitate the child's functioning, except when temporarily removing the equipment or device is needed to prevent injury to the child or others or serious damage to the equipment or device, in which case the equipment or device shall be returned to the child as soon as possible;
- (6) interacting with a child in a manner that constitutes sexual abuse, neglect, or physical abuse under section 626.556;
- (7) withholding regularly scheduled meals or water;
- (8) denying access to bathroom facilities; and
- (9) physical holding that restricts or impairs a child's ability to breathe, restricts or impairs a child's ability to communicate distress, places pressure or weight on a child's head, throat, neck, chest, lungs, sternum, diaphragm, back, or abdomen, or results in straddling a child's torso.

Subd. 5. **Training for staff.** (a) To meet the requirements of subdivision 1, staff who use restrictive procedures, including paraprofessionals, shall complete training in the following skills and knowledge areas:

- (1) positive behavioral interventions;
- (2) communicative intent of behaviors;
- (3) relationship building;
- (4) alternatives to restrictive procedures, including techniques to identify events and environmental factors that may escalate behavior;
- (5) de-escalation methods;
- (6) standards for using restrictive procedures only in an emergency;
- (7) obtaining emergency medical assistance;

- (8) the physiological and psychological impact of physical holding and seclusion;
- (9) monitoring and responding to a child's physical signs of distress when physical holding is being used;
- (10) recognizing the symptoms of and interventions that may cause positional asphyxia when physical holding is used;
- (11) district policies and procedures for timely reporting and documenting each incident involving use of a restricted procedure; and
- (12) schoolwide programs on positive behavior strategies.

(b) The commissioner, after consulting with the commissioner of human services, must develop and maintain a list of training programs that satisfy the requirements of paragraph (a). The commissioner also must develop and maintain a list of experts to help individualized education program teams reduce the use of restrictive procedures. The district shall maintain records of staff who have been trained and the organization or professional that conducted the training. The district may collaborate with children's community mental health providers to coordinate trainings.

Subd. 6. **Behavior supports; reasonable force.** (a) School districts are encouraged to establish effective schoolwide systems of positive behavior interventions and supports.

(b) Nothing in this section or section 125A.0941 precludes the use of reasonable force under sections 121A.582; 609.06, subdivision 1; and 609.379. For the 2014-2015 school year and later, districts must collect and submit to the commissioner summary data, consistent with subdivision 3, paragraph (b), on district use of reasonable force that is consistent with the definition of physical holding or seclusion for a child with a disability under this section.

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

Sec. 2. Minnesota Statutes 2013 Supplement, section 125A.11, subdivision 1, is amended to read:

Subdivision 1. **Nonresident tuition rate; other costs.** (a) For fiscal year 2015 and later, when a school district provides special instruction and services for a pupil with a disability as defined in section 125A.02 outside the district of residence, excluding a pupil for whom an adjustment to special education aid is calculated according to section 127A.47, subdivision 7, paragraphs (b) to (d), special education aid paid to the resident district must be reduced by an amount equal to (1) the actual cost of providing special instruction and services to the pupil, including a proportionate amount for special transportation and unreimbursed building lease and debt service costs for facilities used primarily for special education, plus (2) the amount of general education revenue and referendum equalization aid attributable to that pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue, minus (3) the amount of special education aid for children with a disability under section 125A.76 received on behalf of that child, minus (4) if the pupil receives special instruction and services outside the regular classroom for more than 60 percent of the school day, the amount of general education revenue and referendum equalization aid, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation, attributable to that pupil for the portion of time the pupil receives special instruction and services outside of the regular classroom, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit excluding basic skills revenue, elementary sparsity revenue and secondary sparsity revenue and the serving district's basic skills revenue, elementary sparsity revenue and secondary sparsity revenue per adjusted pupil unit. Notwithstanding clauses (1) and (4), for pupils served by a cooperative unit without a fiscal agent school district, the general education revenue and referendum equalization aid attributable to a pupil must be calculated using the resident district's average general education revenue and referendum equalization aid excluding compensatory revenue, elementary sparsity revenue, and secondary sparsity revenue. Special education aid paid to the district or cooperative providing special instruction and services for the pupil must be increased by the amount of the reduction in the aid paid to the resident district. Amounts paid to cooperatives under this subdivision and section 127A.47, subdivision 7, shall be recognized and reported as revenues and expenditures on the resident school district's books of account under sections 123B.75 and 123B.76. If the resident district's special education aid is insufficient to make the full adjustment, the remaining adjustment shall be made to other state aid due to the district.

(b) Notwithstanding paragraph (a) and section 127A.47, subdivision 7, paragraphs (b) to (d), a charter school where more than 30 percent of enrolled students receive special education and related services, a site approved under section 125A.515, an intermediate district, a special education cooperative, or a school district that served as

the applicant agency for a group of school districts for federal special education aids for fiscal year 2006 may apply to the commissioner for authority to charge the resident district an additional amount to recover any remaining unreimbursed costs of serving pupils with a disability. The application must include a description of the costs and the calculations used to determine the unreimbursed portion to be charged to the resident district. Amounts approved by the commissioner under this paragraph must be included in the tuition billings or aid adjustments under paragraph (a), or section 127A.47, subdivision 7, paragraphs (b) to (d), as applicable.

(c) For purposes of this subdivision and section 127A.47, subdivision 7, ~~paragraphs (d) and (e)~~ paragraph (b), "general education revenue and referendum equalization aid" means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding the local optional levy according to section 126C.10, subdivision 2e, paragraph (c), plus the referendum equalization aid according to section 126C.17, subdivision 7.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 3. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For the purposes of this section and section 125A.79, the definitions in this subdivision apply.

(b) "Basic revenue" has the meaning given it in section 126C.10, subdivision 2. For the purposes of computing basic revenue pursuant to this section, each child with a disability shall be counted as prescribed in section 126C.05, subdivision 1.

(c) "Essential personnel" means teachers, cultural liaisons, related services, and support services staff providing services to students. Essential personnel may also include special education paraprofessionals or clericals providing support to teachers and students by preparing paperwork and making arrangements related to special education compliance requirements, including parent meetings and individualized education programs. Essential personnel does not include administrators and supervisors.

(d) "Average daily membership" has the meaning given it in section 126C.05.

(e) "Program growth factor" means 1.046 for fiscal years 2012 ~~through~~ through 2015, 1.0 for fiscal year 2016, 1.046 for fiscal year 2017, and the product of 1.046 and the program growth factor for the previous year for fiscal year 2018 and later.

(f) "Nonfederal special education expenditure" means all direct expenditures that are necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability according to sections 124D.454, 125A.03 to 125A.24, 125A.259 to 125A.48, and 125A.65 as submitted by the district and approved by the department under section 125A.75, subdivision 4, excluding expenditures:

- (1) reimbursed with federal funds;
- (2) reimbursed with other state aids under this chapter;
- (3) for general education costs of serving students with a disability;
- (4) for facilities;
- (5) for pupil transportation; and
- (6) for postemployment benefits.

(g) "Old formula special education expenditures" means expenditures eligible for revenue under Minnesota Statutes 2012, section 125A.76, subdivision 2.

(h) For the Minnesota State Academy for the Deaf and the Minnesota State Academy for the Blind, expenditures under paragraphs (f) and (g) are limited to the salary and fringe benefits of one-to-one instructional and behavior management aides and one-to-one licensed, certified professionals assigned to a child attending the academy, if the aides or professionals are required by the child's individualized education program.

~~(h)~~ (i) "Cross subsidy reduction aid percentage" means 1.0 percent for fiscal year 2014 and 2.27 percent for fiscal year 2015.

~~(i)~~ (j) "Cross subsidy reduction aid limit" means \$20 for fiscal year 2014 and \$48 for fiscal year 2015.

~~(j)~~ (k) "Special education aid increase limit" means \$80 for fiscal year 2016, \$100 for fiscal year 2017, and, for fiscal year 2018 and later, the sum of the special education aid increase limit for the previous fiscal year and \$40.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 4. Minnesota Statutes 2012, section 125A.76, subdivision 2, is amended to read:

Subd. 2. **Special education initial aid.** The special education initial aid equals the sum of the following amounts computed using current year data:

(1) 68 percent of the salary of each essential person employed in the district's program for children with a disability during the fiscal year, whether the person is employed by one or more districts or a Minnesota correctional facility operating on a fee-for-service basis;

(2) for the Minnesota State Academy for the Deaf or the Minnesota State Academy for the Blind, 68 percent of the salary of each ~~one-to-one~~ one-to-one instructional and behavior management aide and one-to-one licensed, certified professional assigned to a child attending the academy, if the aides or professionals are required by the child's individualized education program;

(3) for special instruction and services provided to any pupil by contracting with public, private, or voluntary agencies other than school districts, in place of special instruction and services provided by the district, 52 percent of the difference between the amount of the contract and the general education revenue, excluding basic skills revenue and alternative teacher compensation revenue, and referendum equalization aid attributable to a pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit for the fraction of the school day the pupil receives services under the contract. This includes children who are residents of the state, receive services under this subdivision and subdivision 1, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155 as provided for in section 125A.79, subdivision 8;

(4) for special instruction and services provided to any pupil by contracting for services with public, private, or voluntary agencies other than school districts, that are supplementary to a full educational program provided by the school district, 52 percent of the amount of the contract for that pupil;

(5) for supplies and equipment purchased or rented for use in the instruction of children with a disability, an amount equal to 47 percent of the sum actually expended by the district, or a Minnesota correctional facility operating on a fee-for-service basis, but not to exceed an average of \$47 in any one school year for each child with a disability receiving instruction;

(6) for fiscal years 1997 and later, special education base revenue shall include amounts under clauses (1) to (5) for special education summer programs provided during the base year for that fiscal year;

(7) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4); and

(8) the district's transition-disabled program initial aid according to section 124D.454, subdivision 3.

The department shall establish procedures through the uniform financial accounting and reporting system to identify and track all revenues generated from third-party billings as special education revenue at the school district level; include revenue generated from third-party billings as special education revenue in the annual cross-subsidy report; and exclude third-party revenue from calculation of excess cost aid to the districts.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 5. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2a, is amended to read:

Subd. 2a. **Special education initial aid.** For fiscal year 2016 and later, a district's special education initial aid equals the sum of:

(1) the ~~lesser~~ least of 62 percent of the district's old formula special education expenditures for the prior fiscal year, excluding pupil transportation expenditures, 50 percent of the district's nonfederal special education expenditures for the prior year, excluding pupil transportation expenditures, or 56 percent of the product of the sum of the following amounts, computed using prior fiscal year data, and the program growth factor:

(i) the product of the district's average daily membership served and the sum of:

(A) \$450; plus

(B) \$400 times the ratio of the sum of the number of pupils enrolled on October 1 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

(C) .008 times the district's average daily membership served; plus

(ii) \$10,400 times the December 1 child count for the primary disability areas of autism spectrum disorders, developmental delay, and severely multiply impaired; plus

(iii) \$18,000 times the December 1 child count for the primary disability areas of deaf and hard-of-hearing and emotional or behavioral disorders; plus

(iv) \$27,000 times the December 1 child count for the primary disability areas of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, and deafblind; plus

(2) the cost of providing transportation services for children with disabilities under section 123B.92, subdivision 1, paragraph (b), clause (4).

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016 and later.

Sec. 6. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2b, is amended to read:

Subd. 2b. **Cross subsidy reduction aid.** For fiscal years 2014 and 2015, the cross subsidy reduction aid for a school district, not including a charter school, equals the lesser of (a) the product of the cross subsidy reduction aid limit and the district's average daily membership served or (b) the sum of the product of the cross subsidy reduction aid percentage, the district's average daily membership served, and the sum of:

(1) \$450; plus

(2) \$400 times the ratio of the sum of the number of pupils enrolled on October 1 who are eligible to receive free lunch plus one-half of the pupils enrolled on October 1 who are eligible to receive reduced-price lunch to the total October 1 enrollment; plus

(3) .008 times the district's average daily membership served; plus the product of the cross subsidy aid percentage and the sum of:

(i) \$10,100 times the December 1 child count for the primary disability areas of autism spectrum disorders, developmental delay, and severely multiply impaired; plus

(ii) \$17,500 times the December 1 child count for the primary disability areas of deaf and hard-of-hearing and emotional or behavioral disorders; plus

(iii) \$26,000 times the December 1 child count for the primary disability areas of developmentally cognitive mild-moderate, developmentally cognitive severe-profound, physically impaired, visually impaired, and deafblind.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 7. Minnesota Statutes 2013 Supplement, section 125A.76, subdivision 2c, is amended to read:

Subd. 2c. **Special education aid.** (a) For fiscal year 2014 and fiscal year 2015, a district's special education aid equals the sum of the district's special education ~~initial~~ aid under subdivision 5, the district's cross subsidy reduction aid under subdivision 2b, and the district's excess cost aid under section 125A.79, subdivision 7.

(b) For fiscal year 2016 and later, a district's special education aid equals the sum of the district's special education initial aid under subdivision 2a and the district's excess cost aid under section 125A.79, subdivision 5.

(c) Notwithstanding paragraph (b), for fiscal year 2016, the special education aid for a school district must not exceed the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, and the product of the district's average daily membership served and the special education aid increase limit.

(d) Notwithstanding paragraph (b), for fiscal year 2017 and later, the special education aid for a school district must not exceed the sum of: (i) the product of the district's average daily membership served and the special education aid increase limit and (ii) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's average daily membership served for the current fiscal year to the district's average daily membership served for fiscal year 2016, and the program growth factor.

(e) Notwithstanding paragraph (b), for fiscal year 2016 and later the special education aid for a school district, not including a charter school, must not be less than the lesser of (1) the district's nonfederal special education expenditures for that fiscal year or (2) the product of the sum of the special education aid the district would have received for fiscal year 2016 under Minnesota Statutes 2012, sections 125A.76 and 125A.79, as adjusted according to Minnesota Statutes 2012, sections 125A.11 and 127A.47, subdivision 7, the ratio of the district's adjusted daily membership for the current fiscal year to the district's average daily membership for fiscal year 2016, and the program growth factor.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 8. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section, the definitions in this subdivision apply.

(a) "Unreimbursed old formula special education expenditures" means:

(1) old formula special education expenditures for the prior fiscal year; minus

(2) for fiscal years 2014 and 2015, the sum of the special education aid under section 125A.76, subdivision 5, for the prior fiscal year and the cross subsidy reduction aid under section 125A.76, subdivision 2b, and for fiscal year 2016 and later, the special education initial aid under section 125A.76, subdivision 2a; minus

(3) the amount of general education revenue, excluding local optional revenue, plus local optional aid and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

(b) "Unreimbursed nonfederal special education expenditures" means:

(1) nonfederal special education expenditures for the prior fiscal year; minus

(2) special education initial aid under section 125A.76, subdivision 2a; minus

(3) for fiscal year 2016 and later, the amount of general education revenue and referendum equalization aid for the prior fiscal year attributable to pupils receiving special instruction and services outside the regular classroom for more than 60 percent of the school day for the portion of time the pupils receive special instruction and services outside of the regular classroom, excluding portions attributable to district and school administration, district support services, operations and maintenance, capital expenditures, and pupil transportation.

(c) "General revenue" for a school district means the sum of the general education revenue according to section 126C.10, subdivision 1, excluding alternative teacher compensation revenue, ~~minus~~ transportation sparsity revenue ~~minus~~, local optional revenue, and total operating capital revenue. "General revenue" for a charter school means the sum of the general education revenue according to section 124D.11, subdivision 1, and transportation revenue according to section 124D.11, subdivision 2, excluding alternative teacher compensation revenue, ~~minus~~ referendum equalization aid ~~minus~~, transportation sparsity revenue minus, and operating capital revenue.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to revenue for fiscal year 2014 and later.

Sec. 9. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 5, is amended to read:

Subd. 5. **Initial Excess cost aid.** For fiscal year 2016 and later, a district's ~~initial~~ excess cost aid equals the greater of:

(1) 56 percent of the difference between (i) the district's unreimbursed nonfederal special education expenditures and (ii) 7.0 percent of the district's general revenue;

(2) 62 percent of the difference between (i) the district's unreimbursed old formula special education expenditures and (ii) 2.5 percent of the district's general revenue; or

(3) zero.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016 and later.

Sec. 10. Minnesota Statutes 2013 Supplement, section 125A.79, subdivision 8, is amended to read:

Subd. 8. **Out-of-state tuition.** For children who are residents of the state, receive services under section 125A.76, subdivisions 1 and 2, and are placed in a care and treatment facility by court action in a state that does not have a reciprocity agreement with the commissioner under section 125A.155, the resident school district shall ~~submit the balance~~ receive special education out-of-state tuition aid equal to the amount of the tuition bills, minus (1) the general education revenue, excluding basic skills revenue and the local optional levy attributable to the pupil, calculated using the resident district's average general education revenue per adjusted pupil unit, and (2) the referendum equalization aid attributable to the pupil, calculated using the resident district's average general education revenue and referendum equalization aid per adjusted pupil unit minus, and (3) the special education contracted services initial revenue aid attributable to the pupil.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 11. Laws 2013, chapter 116, article 5, section 31, subdivision 8, is amended to read:

Subd. 8. **Special education paperwork cost savings.** (a) For the contract to customize a statewide online reporting system and effect special education paperwork cost savings:

\$1,763,000	. . . . .	2014
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For a transfer to MNIT. This appropriation is available in fiscal year 2015 ~~if not~~ and must be expended according to this subdivision for online due process reporting.

(b) To ensure a strong focus on outcomes for children with disabilities informs federal and state compliance and accountability requirements and to increase opportunities for special educators and related-services providers to focus on teaching children with disabilities, the commissioner must customize a streamlined, user-friendly statewide online system, with a single model online form, for effectively and efficiently collecting and reporting required special education-related data to individuals with a legitimate educational interest and who are authorized by law to access the data.

(c) The commissioner must consult with qualified experts, including information technology specialists, licensed special education teachers and directors of special education, related-services providers, third-party vendors, a designee of the commissioner of human services, parents of children with disabilities, representatives of advocacy groups representing children with disabilities, and representatives of school districts and special education cooperatives on integrating, field testing, customizing, and sustaining this simple, easily accessible, efficient, and effective online data system for uniform statewide reporting of required due process compliance data. Among other outcomes, the system must:

(1) reduce special education teachers' paperwork burden and thereby increase the teachers' opportunities to focus on teaching children;

(2) to the extent authorized by chapter 13 or other applicable state or federal law governing access to and dissemination of educational records, provide for efficiently and effectively transmitting the records of all transferring children with disabilities, including highly mobile and homeless children with disabilities, among others, and avoid fragmented service delivery;

(3) address language and other barriers and disparities that prevent parents from understanding and communicating information about the needs of their children with disabilities; and

(4) help continuously improve the interface among the online systems serving children with disabilities in order to maintain and reinforce the children's ability to learn.

(d) The commissioner must use the federal Office of Special Education Programs model forms for the (1) individualized education program, (2) notice of procedural safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate and customize a state-sponsored universal special education online case management system, consistent with the requirements of state law and this subdivision for customizing a statewide online reporting system. The commissioner must use a request for proposal process to contract for the technology and software needed for customizing the online system in order for the system to be fully functional, consistent with the requirements of this subdivision. This online system must be made available to school districts without charge beginning in the 2015-2016 school year. All actions in which data in the system are entered, updated, accessed, or shared or disseminated outside of the system, must be recorded in a data audit trail. The audit trail must identify the user responsible for the action, and the date and time the action occurred. Data contained in the audit trail maintain the same classification as the underlying data that was affected by the action, and may be accessed by the responsible authority at any time for purposes of auditing the system's user activity and security safeguards. For the 2015-2016 through 2017-2018 school years, school districts may use this online system or may contract with an outside vendor for compliance reporting. Beginning in the 2018-2019 school year and later, school districts must use this online system for compliance reporting.

(e) Consistent with this subdivision, the commissioner must establish a public Internet Web interface to provide information to educators, parents, and the public about the form and content of required special education reports, to respond to queries from educators, parents, and the public about specific aspects of special education reports and reporting, and to use the information garnered from the interface to streamline and revise special education reporting on the online system under this subdivision. The public Internet Web interface must not provide access to the educational records of any individual child.

(f) The commissioner annually by February 1 must submit to the legislature a report on the status, recent changes, and sustainability of the online system under this subdivision.

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

Sec. 12. **RULEMAKING AUTHORITY; SPECIAL EDUCATION TASK FORCE RECOMMENDATIONS.**

The commissioner of education must use the expedited rulemaking process under Minnesota Statutes, section 14.389, including subdivision 5, to make the rule changes recommended by the Special Education Case Load and Rule Alignment Task Force in its 2014 report entitled "Recommendations for Special Education Case Load and Rule Alignment" submitted to the legislature on February 15, 2014.

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

Sec. 13. **APPROPRIATION.**

Subdivision 1. **Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

Subd. 2. **Department assistance.** For the commissioner of education to assist school districts in meeting the needs of children who have experienced a high use of prone restraints, consistent with Minnesota Statutes 2013 Supplement, section 125A.0942:

<u>\$250,000</u>	<u>.....</u>	<u>2015</u>
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The commissioners of education and human services, or their designees, must discuss coordinating use of funds and personnel available for this purpose within their respective departments. This is a onetime appropriation.

ARTICLE 4  
FACILITIES

Section 1. **[123A.482] JOINT POWERS COOPERATIVE FACILITY.**

Subdivision 1. **Schools may be jointly operated.** Two or more school districts may agree to jointly operate a secondary facility. The districts may choose to operate the facility according to a joint powers agreement under section 123A.78 or 471.59.

Subd. 2. **Expanded program offerings.** A jointly operated secondary program seeking funding under section 123A.485 must demonstrate to the commissioner's satisfaction that the jointly operated program provides enhanced learning opportunities and broader curriculum offerings to the students attending that program. The commissioner must approve or disapprove a cooperative secondary program within 60 days of receipt of an application.

Subd. 3. **Transfer of employees.** If an employee is transferred between two employer members of the joint powers agreement under this section, the employee's length of service under section 122A.40, subdivision 5, remains uninterrupted. The employee shall receive credit on the receiving district's salary schedule for the employee's educational attainment and years of continuous service in the sending district, or shall receive a comparable salary, whichever is greater. The employee shall receive credit for accrued sick leave and rights to severance benefits as if the employee had been employed by the receiving district during the employee's years of employment in the sending district.

Subd. 4. **Revenue.** An approved program that is jointly operated under this section is eligible for aid under section 123A.485 and qualifies for a facilities grant under sections 123A.44 to 123A.446.

Subd. 5. **Duty to maintain elementary and secondary schools met.** A school district operating a joint facility under this section meets the requirements of section 123A.64.

Subd. 6. **Estimated market value limit exclusion.** Bonds for a cooperative facility operated under this section issued by a member school district are not subject to the net debt limit under section 475.53, subdivision 4.

Subd. 7. **Allocation of levy authority for joint facility.** For purposes of determining each member district's school levy, a jointly operated secondary program may allocate program costs to each member district according to the joint powers agreement and each member district may include those costs in its tax levy. The joint powers agreement may choose to allocate costs on any basis adopted as part of the joint powers agreement.

Subd. 8. **Effect of consolidation.** The joint powers agreement may allow member school districts that choose to consolidate to continue to certify levies separately based on each component district's characteristics.

Subd. 9. **Bonds.** A joint powers district formed under this section may issue bonds according to section 123A.78 or its member districts may issue bonds individually after complying with this subdivision. The joint powers board must submit the project for review and comment under section 123B.71. The joint powers board must hold a hearing on the proposal. If the bonds are not issued under section 123A.78, each member district of the joint powers district must submit the question of authorizing borrowing of funds for the project to the voters of the district at a special election. The question submitted shall state the total amount of funding needed from that district. The member district may issue the bonds according to chapter 475 and certify the levy required by section 475.61 only if a majority of those voting on the question in that district vote in the affirmative and only after the board has adopted a resolution pledging the full faith and credit of that unit. The resolution must irrevocably commit that unit to pay an agreed-upon share of any debt levy shortages that, together with other funds available, would allow the member school board to pay the principal and interest on the obligations. The clerk of the joint powers board must certify the vote of any bond elections to the commissioner. Bonds issued under this section first qualify for debt service equalization aid in fiscal year 2018.

Subd. 10. **Election.** A district entering into a joint powers agreement under this section may conduct a referendum seeking approval for a new facility. This election may be held separately or at the same time as a bond election under subdivision 9. If the election is held at the same time, the questions may be asked separately or as a conjunctive question. The question must be approved by a majority of those voting on the question. If asked separately and the question fails, a district may not proceed with the sale of bonds according to subdivision 9.

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

Sec. 2. Minnesota Statutes 2012, section 123A.485, is amended to read:

**123A.485 CONSOLIDATION TRANSITION REVENUE AID.**

Subdivision 1. **Eligibility and use.** A district that operates a cooperative facility under section 123A.482 or that has been reorganized after June 30, 1994, under section 123A.48 is eligible for consolidation transition ~~revenue~~. ~~Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3.~~ Consolidation transition ~~revenue aid~~ may only be used according to this section. Revenue must be used for the following purposes and may be distributed among these purposes at the discretion of the district or the governing board of the cooperative facility:

- (1) to offer early retirement incentives as provided by section 123A.48, subdivision 23;
- (2) to reduce operating debt as defined in section 123B.82;
- (3) to enhance learning opportunities for students in the reorganized district; ~~and~~
- (4) to repay building debt; or
- (5) for other costs incurred in the reorganization.

Revenue received and utilized under clause (3) or ~~(4)~~ (5) may be expended for operating, facilities, and/or equipment.

Subd. 2. **Aid.** ~~(a)~~ Consolidation transition aid is equal to \$200 ~~\$300~~ times the number of ~~resident adjusted~~ pupil units in the ~~newly created~~ cooperative facility under section 123A.482 or the consolidated district in the year of consolidation and \$100 times the number of resident pupil units in the first year following the year of consolidation

under section 123A.48. The number of pupil units used to calculate aid in either year shall not exceed 1,000 for districts consolidating July 1, 1994, and 1,500 for districts consolidating July 1, 1995, and thereafter. A district may receive aid under this section for not more than five years except as provided in subdivision 4.

~~(b) If the total appropriation for consolidation transition aid for any fiscal year, plus any amount transferred under section 127A.41, subdivision 8, is insufficient to pay all districts the full amount of aid earned, the department must first pay the districts in the first year following the year of consolidation the full amount of aid earned and distribute any remaining funds to the newly created districts in the first year of consolidation.~~

Subd. 3. **Levy.** If the aid available in subdivision 2 is insufficient to cover the costs of the district under section 123A.48, subdivision 23, the district may levy the difference over a period of time not to exceed three years.

Subd. 4. **New districts.** If a district enters into a cooperative secondary facilities program or consolidates with another district that has received aid under section 123A.39, subdivision 3, or 123A.485 for a combination or consolidation taking effect within six years of the effective date of the new consolidation or the start of the cooperative secondary facilities program, only the pupil units in the district or districts not previously cooperating or reorganized must be counted for aid purposes under subdivision 2. If two or more districts consolidate and all districts received aid under subdivision 2 for a consolidation taking effect within six years of the effective date of the new consolidation, only one quarter of the pupil units in the newly created district must be used to determine aid under subdivision 2.

**EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2017 and later.

Sec. 3. Minnesota Statutes 2012, section 123A.64, is amended to read:

#### **123A.64 DUTY TO MAINTAIN ELEMENTARY AND SECONDARY SCHOOLS.**

Each district must maintain classified elementary and secondary schools, grades 1 through 12, unless the district is exempt according to section 123A.61 or 123A.62, has made an agreement with another district or districts as provided in sections 123A.30, 123A.32, or sections 123A.35 to 123A.43, or 123A.17, subdivision 7, ~~or~~ has received a grant under sections 123A.441 to 123A.446, or has formed a cooperative under section 123A.482. A district that has an agreement according to sections 123A.35 to 123A.43 or 123A.32 must operate a school with the number of grades required by those sections. A district that has an agreement according to section 123A.30 or 123A.17, subdivision 7, or has received a grant under sections 123A.441 to 123A.446 must operate a school for the grades not included in the agreement, but not fewer than three grades.

Sec. 4. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, lease purchase payments under section 126C.40, subdivision 2, alternative facilities levies under section 123B.59, subdivision 5, paragraph (a), minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 123B.61;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or Douglas J. Johnson economic protection trust, excluding the portion of taconite payments from the Iron Range school consolidation and cooperatively operated school account under section 298.28, subdivision 7a;

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24; ~~and~~

(4) obligations under section 123B.62; and

(5) obligations equalized under section 123B.535.

(c) For purposes of this section, if a preexisting school district reorganized under sections 123A.35 to 123A.43, 123A.46, and 123A.48 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting districts.

(d) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

**EFFECTIVE DATE.** This section is effective for fiscal year 2017 and later.

Sec. 5. Minnesota Statutes 2013 Supplement, section 123B.53, subdivision 5, is amended to read:

Subd. 5. **Equalized debt service levy.** (a) The equalized debt service levy of a district equals the sum of the first tier equalized debt service levy and the second tier equalized debt service levy.

(b) A district's first tier equalized debt service levy equals the district's first tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) ~~\$3,550~~ \$4,300.

(c) A district's second tier equalized debt service levy equals the district's second tier debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) ~~\$7,900~~ \$8,000.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2016 and later.

Sec. 6. **[123B.535] NATURAL DISASTER DEBT SERVICE EQUALIZATION.**

**Subdivision 1. Definitions.** (a) For purposes of this section, the eligible natural disaster debt service revenue of a district is defined as the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district that would otherwise qualify under section 123B.53 under the following conditions:

(1) the district was impacted by a natural disaster event or area occurring January 1, 2005, or later, as declared by the President of the United States of America, which is eligible for Federal Emergency Management Agency payments;

(2) the natural disaster caused \$500,000 or more in damages to school district buildings; and

(3) the repair and replacement costs are not covered by insurance payments or Federal Emergency Management Agency payments.

(b) For purposes of this section, the adjusted net tax capacity equalizing factor equals the quotient derived by dividing the total adjusted net tax capacity of all school districts in the state for the year before the year the levy is certified by the total number of adjusted pupil units in the state for the year prior to the year the levy is certified.

(c) For purposes of this section, the adjusted net tax capacity determined according to sections 127A.48 and 273.1325 shall be adjusted to include the tax capacity of property generally exempted from ad valorem taxes under section 272.02, subdivision 64.

**Subd. 2. Notification.** A district eligible for natural disaster debt service equalization revenue under subdivision 1 must notify the commissioner of the amount of its intended natural disaster debt service revenue calculated under subdivision 1 for all bonds sold prior to the notification by July 1 of the calendar year the levy is certified.

**Subd. 3. Natural disaster debt service equalization revenue.** The debt service equalization revenue of a district equals the greater of zero or the eligible debt service revenue, minus the greater of zero or the difference between:

(1) the amount raised by a levy of ten percent times the adjusted net tax capacity of the district; and

(2) the district's eligible debt service revenue under section 123B.53.

**Subd. 4. Equalized natural disaster debt service levy.** A district's equalized natural disaster debt service levy equals the district's natural disaster debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the adjusted pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) 300 percent of the statewide adjusted net tax capacity equalizing factor.

**Subd. 5. Natural disaster debt service equalization aid.** A district's natural disaster debt service equalization aid equals the difference between the district's natural disaster debt service equalization revenue and the district's equalized natural disaster debt service levy.

Subd. 6. **Natural disaster debt service equalization aid payment schedule.** Debt service equalization aid must be paid according to section 127A.45, subdivision 10.

**EFFECTIVE DATE.** This section is effective for taxes payable in 2016 and revenue for fiscal year 2017 and later.

Sec. 7. Minnesota Statutes 2013 Supplement, section 123B.54, is amended to read:

**123B.54 DEBT SERVICE APPROPRIATION.**

(a) The amount necessary to make debt service equalization aid payments under ~~section~~ sections 123B.53 and 123B.535 is annually appropriated from the general fund to the commissioner of education.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017 and later.

Sec. 8. Minnesota Statutes 2012, section 123B.71, subdivision 8, is amended to read:

Subd. 8. **Review and comment.** A school district, a special education cooperative, or a cooperative unit of government, as defined in section 123A.24, subdivision 2, must not initiate an installment contract for purchase or a lease agreement, hold a referendum for bonds, nor solicit bids for new construction, expansion, or remodeling of an educational facility that requires an expenditure in excess of \$500,000 per school site if it has a capital loan outstanding, or ~~\$1,400,000~~ \$2,000,000 per school site if it does not have a capital loan outstanding, prior to review and comment by the commissioner. ~~The commissioner may exempt~~ A facility addition, maintenance project, or remodeling project funded only with general education aid ~~and levy revenue, deferred maintenance revenue, alternative facilities bonding and levy program revenue, lease levy proceeds, capital facilities bond proceeds, or health and safety revenue~~ is exempt from this provision ~~after reviewing a written request from a school district describing the scope of work. A capital project under section 123B.63 addressing only technology is exempt from this provision if the district submits a school board resolution stating that funds approved by the voters will be used only as authorized in section 126C.10, subdivision 14.~~ A school board shall not separate portions of a single project into components to avoid the requirements of this subdivision.

Sec. 9. Minnesota Statutes 2012, section 123B.71, subdivision 9, is amended to read:

Subd. 9. **Information required.** A school board proposing to construct, expand, or remodel a facility ~~described~~ that requires a review and comment under subdivision 8 shall submit to the commissioner a proposal containing information including at least the following:

(1) the geographic area and population to be served, preschool through grade 12 student enrollments for the past five years, and student enrollment projections for the next five years;

(2) a list of existing facilities by year constructed, their uses, and an assessment of the extent to which alternate facilities are available within the school district boundaries and in adjacent school districts;

(3) a list of the specific deficiencies of the facility that demonstrate the need for a new or renovated facility to be provided, the process used to determine the deficiencies, a list of those deficiencies that will and will not be addressed by the proposed project, and a list of the specific benefits that the new or renovated facility will provide to the students, teachers, and community users served by the facility;

~~(4) the relationship of the project to any priorities established by the school district, educational cooperatives that provide support services, or other public bodies in the service area;~~

~~(5) a description of the pedestrian, bicycle, and transit connections between the school and nearby residential areas that make it easier for children, teachers, and parents to get to the school by walking, bicycling, and taking transit;~~

~~(6) a specification of how the project maximizes the opportunity for cooperative use of existing park, recreation, and other public facilities and whether and how the project will increase collaboration with other governmental or nonprofit entities;~~

~~(7) (4) a description of the project, including the specification of site and outdoor space acreage and square footage allocations for classrooms, laboratories, and support spaces; estimated expenditures for the major portions of the project; and the dates the project will begin and be completed;~~

~~(8) (5) a specification of the source of financing the project, including applicable statutory citations; the scheduled date for a bond issue or school board action; a schedule of payments, including debt service equalization aid; and the effect of a bond issue on local property taxes by the property class and valuation;~~

~~(9) an analysis of how the proposed new or remodeled facility will affect school district operational or administrative staffing costs, and how the district's operating budget will cover any increased operational or administrative staffing costs;~~

~~(10) a description of the consultation with local or state transportation officials on multimodal school site access and safety issues, and the ways that the project will address those issues;~~

~~(11) a description of how indoor air quality issues have been considered and a certification that the architects and engineers designing the facility will have professional liability insurance;~~

~~(12) as required under section 123B.72, for buildings coming into service after July 1, 2002, a certification that the plans and designs for the extensively renovated or new facility's heating, ventilation, and air conditioning systems will meet or exceed code standards; will provide for the monitoring of outdoor airflow and total airflow of ventilation systems; and will provide an indoor air quality filtration system that meets ASHRAE standard 52.1;~~

~~(13) a specification of any desegregation requirements that cannot be met by any other reasonable means;~~

~~(14) a specification of how the facility will utilize environmentally sustainable school facility design concepts;~~

~~(15) a description of how the architects and engineers have considered the American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools of the maximum background noise level and reverberation times; and~~

~~(16) any existing information from the relevant local unit of government about the cumulative costs to provide infrastructure to serve the school, such as utilities, sewer, roads, and sidewalks.~~

(6) documents obligating the school district and contractors to comply with items (i) to (vii) in planning and executing the project:

(i) section 471.346 governing municipal contracts;

(ii) sustainable design;

(iii) school facility commissioning under section 123B.72 certifying the plans and designs for the heating, ventilating, air conditioning, and air filtration for an extensively renovated or new facility meet or exceed current code standards, including the ASHRAE air filtration standard 52.1;

(iv) American National Standards Institute Acoustical Performance Criteria, Design Requirements and Guidelines for Schools on maximum background noise level and reverberation times;

(v) State Fire Code;

(vi) chapter 326B governing building codes; and

(vii) consultation with affected government units about the impact of the project on utilities, roads, sewers, sidewalks, retention ponds, school bus and automobile traffic, access to mass transit, and safe access for pedestrians and cyclists.

Sec. 10. Minnesota Statutes 2013 Supplement, section 126C.10, subdivision 2d, is amended to read:

Subd. 2d. **Declining enrollment revenue.** (a) A school district's declining enrollment revenue equals the greater of zero or the product of: (1) 28 percent of the formula allowance for that year and (2) the difference between the adjusted pupil units for the preceding year and the adjusted pupil units for the current year.

(b) Notwithstanding paragraph (a), for fiscal years 2015, 2016, and 2017 only, a pupil enrolled at the Crosswinds school shall not generate declining enrollment revenue for the district or charter school in which the pupil was last counted in average daily membership.

Sec. 11. Minnesota Statutes 2013 Supplement, section 126C.48, subdivision 8, is amended to read:

Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies pursuant to subdivision 1 must be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts that have revenue pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A by 95 percent of the sum of the previous year's revenue specified under this clause and the amount attributable to the same production year distributed to the cities and townships within the school district under section 298.28, subdivision 2, paragraph (c).

(3) The amount of any voter approved referendum, facilities down payment, and debt levies shall not be reduced by more than 50 percent under this subdivision, except that payments under section 298.28, subdivision 7a, may reduce the debt service levy by more than 50 percent. In administering this paragraph, the commissioner shall first reduce the nonvoter approved levies of a district; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved referendum levies authorized under section 126C.17; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved facilities down payment levies authorized under section 123B.63 and then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved debt levies.

(4) Before computing the reduction pursuant to this subdivision of the health and safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner shall ascertain from each affected school district the amount it proposes to levy under each section or subdivision. The reduction shall be computed on the basis of the amount so ascertained.

(5) To the extent the levy reduction calculated under paragraph (2) exceeds the limitation in paragraph (3), an amount equal to the excess must be distributed from the school district's distribution under sections 298.225, 298.28, and 477A.15 in the following year to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution. No city or township shall receive a distribution greater than its levy for taxes payable in the year prior to distribution. The commissioner of revenue shall certify the distributions of cities and towns under this paragraph to the county auditor by September 30 of the year preceding distribution. The county auditor shall reduce the proposed and final levies of cities and towns receiving distributions by the amount of their distribution. Distributions to the cities and towns shall be made at the times provided under section 298.27.

Sec. 12. Minnesota Statutes 2012, section 127A.49, subdivision 2, is amended to read:

Subd. 2. **Abatements.** Whenever by virtue of chapter 278, sections 270C.86, 375.192, or otherwise, the net tax capacity or referendum market value of any district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section 126C.46. The amount of the abatement adjustment must be the product of:

- (1) the net revenue loss as certified by the county auditor, times
- (2) the ratio of:
  - (i) the sum of the amounts of the district's certified levy in the third preceding year according to the following:
    - (A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;
    - (B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;
    - (C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;
    - (D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;
    - (E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;
    - (F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;
    - (G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;
    - (H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

~~(J)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;

~~(K)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and

~~(L)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher compensation equalization aid according to section 126C.10, subdivision 36, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy in the third preceding December, plus or minus auditor's adjustments.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017 and later.

Sec. 13. Minnesota Statutes 2012, section 127A.49, subdivision 3, is amended to read:

Subd. 3. **Excess tax increment.** (a) If a return of excess tax increment is made to a district pursuant to sections 469.176, subdivision 2, and 469.177, subdivision 9, or upon decertification of a tax increment district, the school district's aid and levy limitations must be adjusted for the fiscal year in which the excess tax increment is paid under the provisions of this subdivision.

(b) An amount must be subtracted from the district's aid for the current fiscal year equal to the product of:

(1) the amount of the payment of excess tax increment to the district, times

(2) the ratio of:

(i) the sum of the amounts of the district's certified levy for the fiscal year in which the excess tax increment is paid according to the following:

(A) section 123B.57, if the district received health and safety aid according to that section for the second preceding year;

(B) section 124D.20, if the district received aid for community education programs according to that section for the second preceding year;

(C) section 124D.135, subdivision 3, if the district received early childhood family education aid according to section 124D.135 for the second preceding year;

(D) section 126C.17, subdivision 6, if the district received referendum equalization aid according to that section for the second preceding year;

(E) section 126C.10, subdivision 13a, if the district received operating capital aid according to section 126C.10, subdivision 13b, in the second preceding year;

(F) section 126C.10, subdivision 29, if the district received equity aid according to section 126C.10, subdivision 30, in the second preceding year;

(G) section 126C.10, subdivision 32, if the district received transition aid according to section 126C.10, subdivision 33, in the second preceding year;

(H) section 123B.53, subdivision 5, if the district received debt service equalization aid according to section 123B.53, subdivision 6, in the second preceding year;

(I) section 123B.535, subdivision 4, if the district received natural disaster debt service equalization aid according to section 123B.535, subdivision 5, in the second preceding year;

~~(J)~~ (J) section 124D.22, subdivision 3, if the district received school-age care aid according to section 124D.22, subdivision 4, in the second preceding year;

~~(K)~~ (K) section 123B.591, subdivision 3, if the district received deferred maintenance aid according to section 123B.591, subdivision 4, in the second preceding year; and

~~(L)~~ (L) section 126C.10, subdivision 35, if the district received alternative teacher compensation equalization aid according to section 126C.10, subdivision 36, paragraph (a), in the second preceding year; to

(ii) the total amount of the district's certified levy for the fiscal year, plus or minus auditor's adjustments.

(c) An amount must be subtracted from the school district's levy limitation for the next levy certified equal to the difference between:

(1) the amount of the distribution of excess increment; and

(2) the amount subtracted from aid pursuant to clause (a).

If the aid and levy reductions required by this subdivision cannot be made to the aid for the fiscal year specified or to the levy specified, the reductions must be made from aid for subsequent fiscal years, and from subsequent levies. The school district must use the payment of excess tax increment to replace the aid and levy revenue reduced under this subdivision.

(d) This subdivision applies only to the total amount of excess increments received by a district for a calendar year that exceeds \$25,000.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2017 and later.

Sec. 14. Minnesota Statutes 2012, section 129C.10, subdivision 3, is amended to read:

Subd. 3. **Powers and duties of board.** (a) The board has the powers necessary for the care, management, and control of the Perpich Center for Arts Education and any other school authorized in this chapter, and all ~~its~~ their real and personal property. The powers shall include, but are not limited to, those listed in this subdivision.

(b) The board may employ and discharge necessary employees, and contract for other services to ensure the efficient operation of the Center for Arts Education and any other school authorized in this chapter.

(c) The board may receive and award grants. The board may establish a charitable foundation and accept, in trust or otherwise, any gift, grant, bequest, or devise for educational purposes and hold, manage, invest, and dispose of them and the proceeds and income of them according to the terms and conditions of the gift, grant, bequest, or devise and its acceptance. The board must adopt internal procedures to administer and monitor aids and grants.

(d) The board may establish or coordinate evening, continuing education, extension, and summer programs for teachers and pupils.

(e) The board may identify pupils who have artistic talent, either demonstrated or potential, in dance, literary arts, media arts, music, theater, and visual arts, or in more than one art form.

(f) The board must educate pupils with artistic talent by providing:

(1) an interdisciplinary academic and arts program for pupils in the 11th and 12th grades. The total number of pupils accepted under this clause and clause (2) shall not exceed 310;

(2) additional instruction to pupils for a 13th grade. Pupils eligible for this instruction are those enrolled in 12th grade who need extra instruction and who apply to the board, or pupils enrolled in the 12th grade who do not meet learner outcomes established by the board;

(3) intensive arts seminars for one or two weeks for pupils in grades 9 to 12;

(4) summer arts institutes for pupils in grades 9 to 12;

(5) artist mentor and extension programs in regional sites; and

(6) teacher education programs for indirect curriculum delivery.

(g) The board may determine the location for the Perpich Center for Arts Education and any additional facilities related to the center, including the authority to lease a temporary facility.

(h) The board must plan for the enrollment of pupils on an equal basis from each congressional district.

(i) The board may establish task forces as needed to advise the board on policies and issues. The task forces expire as provided in section 15.059, subdivision 6.

(j) The board may request the commissioner of education for assistance and services.

(k) The board may enter into contracts with other public and private agencies and institutions for residential and building maintenance services if it determines that these services could be provided more efficiently and less expensively by a contractor than by the board itself. The board may also enter into contracts with public or private agencies and institutions, school districts or combinations of school districts, or service cooperatives to provide supplemental educational instruction and services.

(l) The board may provide or contract for services and programs by and for the Center for Arts Education, including a store, operating in connection with the center; theatrical events; and other programs and services that, in the determination of the board, serve the purposes of the center.

(m) The board may provide for transportation of pupils to and from the Center for Arts Education for all or part of the school year, as the board considers advisable and subject to its rules. Notwithstanding any other law to the contrary, the board may charge a reasonable fee for transportation of pupils. Every driver providing transportation of pupils under this paragraph must possess all qualifications required by the commissioner of education. The board may contract for furnishing authorized transportation under rules established by the commissioner of education and may purchase and furnish gasoline to a contract carrier for use in the performance of a contract with the board for transportation of pupils to and from the Center for Arts Education. When transportation is provided, scheduling of routes, establishment of the location of bus stops, the manner and method of transportation, the control and discipline of pupils, and any other related matter is within the sole discretion, control, and management of the board.

(n) The board may provide room and board for its pupils. If the board provides room and board, it shall charge a reasonable fee for the room and board. The fee is not subject to chapter 14 and is not a prohibited fee according to sections 123B.34 to 123B.39.

(o) The board may establish and set fees for services and programs. If the board sets fees not authorized or prohibited by the Minnesota public school fee law, it may do so without complying with the requirements of section 123B.38.

(p) The board may apply for all competitive grants administered by agencies of the state and other government or nongovernment sources.

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

Sec. 15. Minnesota Statutes 2012, section 129C.10, is amended by adding a subdivision to read:

Subd. 5a. **Interdistrict voluntary integration magnet program.** Notwithstanding Minnesota Rules, parts 3535.0110 and 3535.0150, the board may establish and operate an interdistrict integration magnet program according to section 129C.30. For fiscal year 2016 and later, the board must have an approved achievement and integration plan and budget under section 124D.861.

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

Sec. 16. **[129C.30] CROSSWINDS INTEGRATION MAGNET SCHOOL.**

Subdivision 1. **Definitions.** (a) The following terms having the meanings given them for this chapter.

(b) "Board" means the board of directors of the Perpich Center for Arts Education.

(c) "Crosswinds school" means the Crosswinds school in Woodbury operated during the 2012-2013 school year by Joint Powers District No. 6067, East Metro Integration District.

Subd. 2. **Board to operate the Crosswinds school.** The board may operate the Crosswinds school with the powers and duties granted to it under this chapter. A student may apply to the Crosswinds school under section 124D.03 and the Crosswinds school may accept students under that section.

Subd. 3. **General education funding.** General education revenue must be paid to the Crosswinds school as though it were a district. The general education revenue for each adjusted pupil unit is the state average general education revenue per pupil unit, plus the referendum equalization aid allowance in the pupil's district of residence, minus an amount equal to the product of the formula allowance according to section 126C.10, subdivision 2, times .0466, calculated without declining enrollment, basic skills revenue, extended time revenue, pension adjustment revenue, transition revenue, and transportation sparsity revenue, plus declining enrollment, basic skills revenue, extended time revenue, pension adjustment revenue, and transition revenue as though the school were a school district. The general education revenue for each extended time pupil unit equals \$4,794.

Subd. 4. **Special education funding.** Special education aid must be paid to the Crosswinds school according to sections 125A.76 and 125A.79, as though it were a school district. The special education aid paid to the Crosswinds school shall be adjusted as follows:

(1) if the Crosswinds school does not receive general education revenue on behalf of the student according to subdivision 3, the aid shall be adjusted as provided in section 125A.11; or

(2) if the Crosswinds school receives general education revenue on behalf of the student according to subdivision 3, the aid shall be adjusted as provided in section 127A.47, subdivision 7, paragraphs (b) to (d).

Subd. 5. **Pupil transportation.** (a) For fiscal year 2015 only, a member district of Joint Powers District No. 6067, East Metro Integration District, must transport pupils enrolled at the Crosswinds school in the same manner as they were transported in fiscal year 2014.

(b) Pupil transportation expenses under this section are reimbursable under section 124D.87.

Subd. 6. **Achievement and integration aid.** For fiscal year 2016 and later, the Crosswinds school is eligible for achievement and integration aid under section 124D.862 as if it were a school district.

Subd. 7. **Other aids, grants, revenue.** (a) The Crosswinds school is eligible to receive other aids, grants, and revenue according to chapters 120A to 129C as though it were a district.

(b) Notwithstanding paragraph (a), the Crosswinds school may not receive aid, a grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy revenue that is not general education revenue, except as otherwise provided in this section.

(c) Federal aid received by the state must be paid to the school if it qualifies for the aid as though it were a school district.

(d) In the year-end report to the commissioner of education, the Crosswinds school shall report the total amount of funds received from grants and other outside sources.

Subd. 8. **Year-round programming.** The Crosswinds school may operate as a flexible learning year program under sections 124D.12 to 124D.127.

Subd. 9. **Data requirements.** The commissioner of education shall require the Crosswinds school to follow the budget and accounting procedures required for school districts and the Crosswinds school shall report all data to the Department of Education in the form and manner required by the commissioner.

Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 5, is amended to read:

Subd. 5. **Equity in telecommunications access.** For equity in telecommunications access:

\$3,750,000	.....	2014
<del>\$3,750,000</del> 8,750,000	.....	2015

If the appropriation amount is insufficient, the commissioner shall reduce the reimbursement rate in Minnesota Statutes, section 125B.26, subdivisions 4 and 5, and the revenue for fiscal years 2014 and 2015 shall be prorated.

Any balance in the first year does not cancel but is available in the second year. The base appropriation for this program for fiscal years 2016 and 2017 is \$8,750,000 for each year.

Sec. 18. **HARAMBEE COMMUNITY SCHOOL TRANSITION.**

Subdivision 1. **Facilities.** Notwithstanding the appropriations of state general obligation bond proceeds in Laws 1994, chapter 643, section 14, subdivision 7, to Joint Powers District No. 6067, East Metro Integration District, to acquire and better the Harambee community school, in Maplewood, the real and personal property of the Harambee school, may be conveyed to Independent School District No. 623, Roseville, for operation of a multidistrict integration facility that serves students in any grade from early education through grade 12.

Subd. 2. **Student enrollment.** A student enrolled in the Harambee community school during the 2013-2014 school year may continue to enroll in the Harambee community school in any subsequent year. For the 2014-2015 school year and later, other students may apply for enrollment under Minnesota Statutes, section 124D.03.

Subd. 3. **Compensatory revenue; literacy aid; compensation revenue.** For the 2014-2015 school year only, the Department of Education must calculate compensatory revenue, literacy aid, and compensation revenue for the Harambee community school based on the October 1, 2013, enrollment counts.

Subd. 4. **Year-round programming.** Harambee community school may operate as a flexible learning year program under Minnesota Statutes, sections 124D.12 to 124D.127.

Subd. 5. **Pupil transportation.** The board may transport pupils enrolled in the 2013-2014 school year to and from the Harambee community school in succeeding school years regardless of the students' districts of residence. Pupil transportation expenses under this section are reimbursable under Minnesota Statutes, section 124D.87.

Sec. 19. **TRANSITION REQUIREMENTS; CROSSWINDS SCHOOL.**

Subdivision 1. **Transfer.** Notwithstanding the appropriation of state general obligation bond proceeds in Laws 1998, chapter 404, section 5, subdivision 5; Laws 1999, chapter 240, article 1, section 3; Laws 2000, chapter 492, article 1, section 5, subdivision 2; Laws 2001, First Special Session chapter 12, section 2, subdivision 2; and Laws 2005, chapter 20, article 1, section 5, subdivision 3, to acquire and better the Crosswinds school facilities by the Joint Powers District No. 6067, East Metro Integration District, in Woodbury, the Crosswinds school may be conveyed to the Perpich Center for Arts Education for use as an east metropolitan area integration magnet school.

Subd. 2. **Student enrollment.** Any student enrolled in the Crosswinds school during the 2013-2014 school year may continue to enroll in the Crosswinds school in any subsequent year. For the 2014-2015 school year and later, a student may apply for enrollment to the school under Minnesota Statutes, section 124D.03.

Subd. 3. **Compensatory revenue, literacy aid, and alternative compensation revenue.** For the 2014-2015 school year only, the Department of Education must calculate compensatory revenue, literacy aid, and alternative compensation revenue for the Crosswinds school based on the October 1, 2013, enrollment counts at that site.

Subd. 4. **Title 1 funding.** To the extent possible, the Department of Education must qualify the Crosswinds school for Title 1, and, if applicable, other federal funding as if the program were still operated by Joint Powers District No. 6067, East Metro Integration District.

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

Sec. 20. **LEASE LEVY; TRANSPORTATION HUB FOR ROSEMOUNT-APPLE VALLEY-EAGAN SCHOOL DISTRICT.**

Notwithstanding Minnesota Statutes, section 126C.40, subdivision 1, Independent School District No. 196, Rosemount-Apple Valley-Eagan, may lease a transportation hub under Minnesota Statutes, section 126C.40, subdivision 1. Levy authority under this section shall not exceed the total levy authority under Minnesota Statutes, section 126C.40, subdivision 1, paragraph (e).

**EFFECTIVE DATE.** This section is effective for taxes payable in 2015 and later.

Sec. 21. **REPEALER.**

Minnesota Statutes 2012, section 123B.71, subdivision 1, is repealed.

ARTICLE 5  
NUTRITION

Section 1. Minnesota Statutes 2013 Supplement, section 124D.111, subdivision 1, is amended to read:

Subdivision 1. **School lunch aid computation.** Each school year, the state must pay participants in the national school lunch program the amount of 12.5 cents for each full paid, ~~reduced-price,~~ and free student lunch and 52.5 cents for each reduced-price lunch served to students.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2012, section 124D.111, is amended by adding a subdivision to read:

Subd. 4. **No fees.** A participant that receives school lunch aid under this section must make lunch available without charge to all participating students who qualify for free or reduced-price meals. The participant must also ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 3. Laws 2013, chapter 116, article 7, section 21, subdivision 2, is amended to read:

Subd. 2. **School lunch.** For school lunch aid according to Minnesota Statutes, section 124D.111, and Code of Federal Regulations, title 7, section 210.17:

\$13,032,000	<u>12,417,000</u>	.....	2014
\$13,293,000	<u>16,185,000</u>	.....	2015

ARTICLE 6  
EARLY EDUCATION, COMMUNITY EDUCATION, SELF-SUFFICIENCY  
AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2012, section 121A.19, is amended to read:

**121A.19 DEVELOPMENTAL SCREENING AID.**

Each school year, the state must pay a district for each child or student screened by the district according to the requirements of section 121A.17. The amount of state aid for each child or student screened shall be: (1) ~~\$75~~ \$80 for a child screened at age three; (2) ~~\$50~~ \$55 for a child screened at age four; (3) \$40 for a child screened at age five or six prior to kindergarten; and (4) \$30 for a student screened within 30 days after first enrolling in a public school kindergarten if the student has not previously been screened according to the requirements of section 121A.17. If this amount of aid is insufficient, the district may permanently transfer from the general fund an amount that, when added to the aid, is sufficient. Developmental screening aid shall not be paid for any student who is screened more than 30 days after the first day of attendance at a public school kindergarten, except if a student transfers to another public school kindergarten within 30 days after first enrolling in a Minnesota public school kindergarten program. In this case, if the student has not been screened, the district to which the student transfers may receive developmental screening aid for screening that student when the screening is performed within 30 days of the transfer date.

**EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2012, section 124D.16, subdivision 2, is amended to read:

Subd. 2. **Amount of aid.** (a) A district is eligible to receive school readiness aid for eligible prekindergarten pupils enrolled in a school readiness program under section 124D.15 if the biennial plan required by section 124D.15, subdivision 3a, has been approved by the commissioner.

(b) ~~For fiscal year 2002 and thereafter,~~ A district must receive school readiness aid equal to:

(1) the number of four-year-old children in the district on October 1 for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of four-year-old children reported to the commissioner for the previous school year; plus

(2) the number of pupils enrolled in the school district from families eligible for the free or reduced school lunch program for the previous school year times the ratio of 50 percent of the total school readiness aid for that year to the total number of pupils in the state from families eligible for the free or reduced school lunch program for the previous school year.

(c) For fiscal year 2015 and later, total school readiness aid equals \$12,000,000.

**EFFECTIVE DATE.** This section is effective for state aid for fiscal year 2015 and later.

Sec. 3. Minnesota Statutes 2013 Supplement, section 124D.165, subdivision 5, is amended to read:

Subd. 5. **Report required.** The commissioner shall contract with an independent contractor to evaluate the early learning scholarship program. The evaluation must include recommendations regarding the appropriate scholarship amount, efficiency, and effectiveness of the administration, and impact on kindergarten readiness. By January 15, 2016, the commissioner shall submit a written copy of the evaluation to the chairs and ranking minority members of the legislative committees and divisions with primary jurisdiction over kindergarten through grade 12 education.

Sec. 4. Minnesota Statutes 2012, section 124D.522, is amended to read:

**124D.522 ADULT BASIC EDUCATION SUPPLEMENTAL SERVICE GRANTS.**

(a) The commissioner, in consultation with the policy review task force under section 124D.521, may make grants to nonprofit organizations to provide services that are not offered by a district adult basic education program or that are supplemental to either the statewide adult basic education program, or a district's adult basic education program. The commissioner may make grants for: staff development for adult basic education teachers and administrators; training for volunteer tutors; training, services, and materials for serving disabled students through adult basic education programs; statewide promotion of adult basic education services and programs; development and dissemination of instructional and administrative technology for adult basic education programs; programs which primarily serve communities of color; adult basic education distance learning projects, including television instruction programs; and other supplemental services to support the mission of adult basic education and innovative delivery of adult basic education services.

(b) The commissioner must establish eligibility criteria and grant application procedures. Grants under this section must support services throughout the state, focus on educational results for adult learners, and promote outcome-based achievement through adult basic education programs. Beginning in fiscal year 2002, the commissioner may make grants under this section from the state total adult basic education aid set aside for supplemental service grants under section 124D.531. Up to one-fourth of the appropriation for supplemental service grants must be used for grants for adult basic education programs to encourage and support innovations in adult

basic education instruction and service delivery. A grant to a single organization cannot exceed ~~20~~ 40 percent of the total supplemental services aid. Nothing in this section prevents an approved adult basic education program from using state or federal aid to purchase supplemental services.

Sec. 5. Minnesota Statutes 2013 Supplement, section 124D.531, subdivision 1, is amended to read:

Subdivision 1. **State total adult basic education aid.** (a) The state total adult basic education aid for fiscal year 2011 equals \$44,419,000, plus any amount that is not paid during the previous fiscal year as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3. The state total adult basic education aid for later fiscal years equals:

(1) the state total adult basic education aid for the preceding fiscal year plus any amount that is not paid for during the previous fiscal year, as a result of adjustments under subdivision 4, paragraph (a), or section 124D.52, subdivision 3; times

(2) the lesser of:

(i) ~~1.025~~ 1.03; or

(ii) the average growth in state total contact hours over the prior ten program years.

~~Beginning in fiscal year 2002, two~~ Three percent of the state total adult basic education aid must be set aside for adult basic education supplemental service grants under section 124D.522.

(b) The state total adult basic education aid, excluding basic population aid, equals the difference between the amount computed in paragraph (a), and the state total basic population aid under subdivision 2.

**EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2015 and later.

Sec. 6. Minnesota Statutes 2012, section 124D.531, subdivision 3, is amended to read:

Subd. 3. **Program revenue.** Adult basic education programs established under section 124D.52 and approved by the commissioner are eligible for revenue under this subdivision. For fiscal year 2001 and later, adult basic education revenue for each approved program equals the sum of:

(1) the basic population aid under subdivision 2 for districts participating in the program during the current program year; plus

(2) 84 percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the contact hours for students participating in the program during the first prior program year to the state total contact hours during the first prior program year; plus

(3) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the enrollment of English learners during the second prior school year in districts participating in the program during the current program year to the state total enrollment of English learners during the second prior school year in districts participating in adult basic education programs during the current program year; plus

(4) eight percent times the amount computed in subdivision 1, paragraph (b), times the ratio of the latest federal census count of the number of adults aged ~~20~~ 25 or older with no diploma residing in the districts participating in the program during the current program year to the latest federal census count of the state total number of adults aged ~~20~~ 25 or older with no diploma residing in the districts participating in adult basic education programs during the current program year.

Sec. 7. Laws 2013, chapter 116, article 8, section 5, subdivision 2, is amended to read:

Subd. 2. **School readiness.** For revenue for school readiness programs under Minnesota Statutes, sections 124D.15 and 124D.16:

<del>\$10,095,000</del> <u>10,458,000</u>	.....	2014
<del>\$10,159,000</del> <u>11,809,000</u>	.....	2015

The 2014 appropriation includes \$1,372,000 for 2013 and ~~\$8,723,000~~ \$9,086,000 for 2014.

The 2015 appropriation includes ~~\$1,372,000~~ \$1,009,000 for 2014 and ~~\$8,787,000~~ \$10,800,000 for 2015.

Sec. 8. Laws 2013, chapter 116, article 8, section 5, subdivision 4, is amended to read:

Subd. 4. **Health and developmental screening aid.** For health and developmental screening aid under Minnesota Statutes, sections 121A.17 and 121A.19:

\$3,421,000	.....	2014
<del>\$3,344,000</del> <u>3,569,000</u>	.....	2015

The 2014 appropriation includes \$474,000 for 2013 and \$2,947,000 for 2014.

The 2015 appropriation includes \$463,000 for 2014 and ~~\$2,881,000~~ \$3,106,000 for 2015.

Sec. 9. Laws 2013, chapter 116, article 8, section 5, subdivision 14, is amended to read:

Subd. 14. **Adult basic education aid.** For adult basic education aid under Minnesota Statutes, section 124D.531:

<del>\$47,005,000</del> <u>48,782,000</u>	.....	2014
<del>\$48,145,000</del> <u>48,415,000</u>	.....	2015

The 2014 appropriation includes \$6,284,000 for 2013 and ~~\$40,721,000~~ \$42,498,000 for 2014.

The 2015 appropriation includes ~~\$6,409,000~~ \$4,722,000 for 2014 and ~~\$41,736,000~~ \$43,693,000 for 2015.

Sec. 10. **APPROPRIATIONS.**

**Subdivision 1. Department of Education.** The sums indicated in this section are appropriated from the general fund to the Department of Education for the fiscal years designated.

**Subd. 2. Northside Achievement Zone.** (a) For a grant to the Northside Achievement Zone:

<u>\$1,132,000</u>	.....	<u>2015</u>
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(b) Funds appropriated in this subdivision are to reduce multigenerational poverty and the educational achievement gap through increased enrollment of families within the zone, and may be used for Northside Achievement Zone programming and services consistent with federal Promise Neighborhood program agreements and requirements.

(c) The Northside Achievement Zone shall submit a report by October 1, 2015, to the chairs of the legislative committees with jurisdiction over early childhood through grade 12 education policy and finance that, at a minimum, summarizes program activities, specifies performance measures, and analyzes program outcomes.

(d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

**Subd. 3. St. Paul Promise Neighborhood.** (a) For a grant to the St. Paul Promise Neighborhood:

<u>\$1,132,000</u>	. . . . .	<u>2015</u>
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(b) Funds appropriated in this subdivision are to reduce multigenerational poverty and the educational achievement gap through increased enrollment of families within the zone, and may be used for St. Paul Promise Neighborhood programming and services consistent with federal Promise Neighborhood program agreements and requirements.

(c) The St. Paul Promise Neighborhood shall submit a report by October 1, 2015, to the chairs of the legislative committees with jurisdiction over early childhood through grade 12 education policy and finance that, at a minimum, summarizes program activities, specifies performance measures, and analyzes program outcomes.

(d) The base appropriation for fiscal years 2016 and 2017 is \$1,132,000 for each year.

#### ARTICLE 7 STATE AGENCIES

Section 1. Laws 2013, chapter 116, article 9, section 1, subdivision 2, is amended to read:

Subd. 2. **Department.** (a) For the Department of Education:

<u>\$20,058,000</u>	. . . . .	2014
<del>\$19,308,000</del> <u>19,716,000</u>	. . . . .	2015

Any balance in the first year does not cancel but is available in the second year.

(b) \$260,000 each year is for the Minnesota Children's Museum.

(c) \$41,000 each year is for the Minnesota Academy of Science.

(d) \$50,000 each year is for the Duluth Children's Museum.

(e) \$618,000 each in fiscal year 2014 and \$718,000 in fiscal year is 2015 only are for the Board of Teaching. Any balance in the first year does not cancel but is available in the second year.

(f) \$167,000 each in fiscal year 2014 and \$225,000 in fiscal year is 2015 are for the Board of School Administrators. Any balance in the first year does not cancel but is available in the second year.

(g) \$75,000 in fiscal year 2015 only is for The Works Museum.

(h) \$50,000 in fiscal year 2015 only is for a grant to the Headwaters Science Center for hands-on science, technology, engineering, and math (STEM) education.

(i) \$25,000 each year is for innovation pilot grants under Laws 2012, chapter 263, section 1.

(j) The expenditures of federal grants and aids as shown in the biennial budget document and its supplements are approved and appropriated and shall be spent as indicated.

~~(h)~~ (k) None of the amounts appropriated under this subdivision may be used for Minnesota's Washington, D. C. office.

~~(i)~~ (l) \$250,000 each year is for the School Finance Division to enhance financial data analysis.

~~(j)~~ (m) \$750,000 in fiscal year 2014 only is for departmental costs associated with teacher development and evaluation. Any balance in the first year does not cancel and is available in the second year.

Sec. 2. Laws 2013, chapter 116, article 9, section 2, is amended to read:

Sec. 2. **APPROPRIATIONS; MINNESOTA STATE ACADEMIES.**

The sums indicated in this section are appropriated from the general fund to the Minnesota State Academies for the Deaf and the Blind for the fiscal years designated:

	\$11,749,000	.....	2014
	<del>\$11,664,000</del> <u>11,964,000</u>	.....	2015

\$85,000 of the fiscal year 2014 appropriation is for costs associated with upgrading kitchen facilities. Any balance in the first year does not cancel but is available in the second year.

Sec. 3. **APPROPRIATION; RESPONSES TO HEALTH INSURANCE TRANSPARENCY ACT BID REQUESTS.**

(a) \$294,000 is appropriated for fiscal year 2015 from the general fund to the commissioner of management and budget to comply with the requirements relating to health insurance transparency similar to those proposed in House File 2180, if enacted in the 2014 regular legislative session. This is a onetime appropriation.

(b) If a bill meeting the requirements of paragraph (a) is enacted, the commissioner of management and budget shall report by January 15, 2015, to the legislative chairs and ranking minority members with jurisdiction over state government finance on the ongoing costs incurred by the public employees insurance program in compliance with the requirements of the health insurance transparency act and may request additional appropriations, if necessary.

ARTICLE 8  
FORECAST ADJUSTMENTS

A. GENERAL EDUCATION

Section 1. Laws 2013, chapter 116, article 1, section 58, subdivision 3, is amended to read:

Subd. 3. **Enrollment options transportation.** For transportation of pupils attending postsecondary institutions under Minnesota Statutes, section 124D.09, or for transportation of pupils attending nonresident districts under Minnesota Statutes, section 124D.03:

	<del>\$44,000</del> <u>37,000</u>	.....	2014
	<del>\$48,000</del> <u>40,000</u>	.....	2015

Sec. 2. Laws 2013, chapter 116, article 1, section 58, subdivision 4, is amended to read:

Subd. 4. **Abatement revenue.** For abatement aid under Minnesota Statutes, section 127A.49:

<del>\$2,747,000</del> <u>2,876,000</u>	.....	2014
<del>\$3,136,000</del> <u>3,103,000</u>	.....	2015

The 2014 appropriation includes \$301,000 for 2013 and ~~\$2,446,000~~ \$2,575,000 for 2014.

The 2015 appropriation includes ~~\$385,000~~ \$286,000 for 2014 and ~~\$2,751,000~~ \$2,817,000 for 2015.

Sec. 3. Laws 2013, chapter 116, article 1, section 58, subdivision 5, is amended to read:

Subd. 5. **Consolidation transition.** For districts consolidating under Minnesota Statutes, section 123A.485:

<del>\$472,000</del> <u>585,000</u>	.....	2014
<del>\$480,000</del> <u>254,000</u>	.....	2015

The 2014 appropriation includes \$40,000 for 2013 and ~~\$432,000~~ \$545,000 for 2014.

The 2015 appropriation includes ~~\$68,000~~ \$60,000 for 2014 and ~~\$412,000~~ \$194,000 for 2015.

Sec. 4. Laws 2013, chapter 116, article 1, section 58, subdivision 6, is amended to read:

Subd. 6. **Nonpublic pupil education aid.** For nonpublic pupil education aid under Minnesota Statutes, sections 123B.40 to 123B.43 and 123B.87:

<del>\$15,582,000</del> <u>16,068,000</u>	.....	2014
<del>\$16,169,000</del> <u>16,074,000</u>	.....	2015

The 2014 appropriation includes \$2,099,000 for 2013 and ~~\$13,483,000~~ \$13,969,000 for 2014.

The 2015 appropriation includes ~~\$2,122,000~~ \$1,552,000 for 2014 and ~~\$14,047,000~~ \$14,522,000 for 2015.

Sec. 5. Laws 2013, chapter 116, article 1, section 58, subdivision 7, is amended to read:

Subd. 7. **Nonpublic pupil transportation.** For nonpublic pupil transportation aid under Minnesota Statutes, section 123B.92, subdivision 9:

<del>\$18,565,000</del> <u>18,566,000</u>	.....	2014
<del>\$18,946,000</del> <u>17,646,000</u>	.....	2015

The 2014 appropriation includes \$2,668,000 for 2013 and ~~\$15,897,000~~ \$15,898,000 for 2014.

The 2015 appropriation includes ~~\$2,502,000~~ \$1,766,000 for 2014 and ~~\$16,444,000~~ \$15,880,000 for 2015.

Sec. 6. Laws 2013, chapter 116, article 1, section 58, subdivision 11, is amended to read:

Subd. 11. **Career and technical aid.** For career and technical aid under Minnesota Statutes, section 124D.4531, subdivision 1b:

<del>\$4,320,000</del>	<u>3,959,000</u>	.....	2014
<del>\$5,680,000</del>	<u>5,172,000</u>	.....	2015

The 2014 appropriation includes \$0 for 2014 and ~~\$4,320,000~~ \$3,959,000 for 2015.

The 2015 appropriation includes ~~\$680,000~~ \$439,000 for 2014 and ~~\$5,000,000~~ \$4,733,000 for 2015.

#### B. EDUCATION EXCELLENCE

Sec. 7. Laws 2013, chapter 116, article 3, section 37, subdivision 3, is amended to read:

Subd. 3. **Achievement and integration aid.** For achievement and integration aid under Minnesota Statutes, section 124D.862:

<del>\$58,911,000</del>	<u>55,609,000</u>	.....	2014
<del>\$68,623,000</del>	<u>62,692,000</u>	.....	2015

The 2014 appropriation includes \$0 for 2013 and ~~\$58,911,000~~ \$55,609,000 for 2014.

The 2015 appropriation includes ~~\$9,273,000~~ \$6,178,000 for 2014 and ~~\$59,350,000~~ \$56,514,000 for 2015.

Sec. 8. Laws 2013, chapter 116, article 3, section 37, subdivision 4, is amended to read:

Subd. 4. **Literacy incentive aid.** For literacy incentive aid under Minnesota Statutes, section 124D.98:

<del>\$52,514,000</del>	<u>50,998,000</u>	.....	2014
<del>\$53,818,000</del>	<u>47,458,000</u>	.....	2015

The 2014 appropriation includes \$6,607,000 for 2013 and ~~\$45,907,000~~ \$44,391,000 for 2014.

The 2015 appropriation includes ~~\$7,225,000~~ \$4,932,000 for 2014 and ~~\$46,593,000~~ \$42,526,000 for 2015.

Sec. 9. Laws 2013, chapter 116, article 3, section 37, subdivision 5, is amended to read:

Subd. 5. **Interdistrict desegregation or integration transportation grants.** For interdistrict desegregation or integration transportation grants under Minnesota Statutes, section 124D.87:

<del>\$13,968,000</del>	<u>13,521,000</u>	.....	2014
<del>\$14,712,000</del>	<u>14,248,000</u>	.....	2015

Sec. 10. Laws 2013, chapter 116, article 3, section 37, subdivision 6, is amended to read:

Subd. 6. **Success for the future.** For American Indian success for the future grants under Minnesota Statutes, section 124D.81:

<del>\$2,137,000</del>	<u>2,214,000</u>	.....	2014
	<u>\$2,137,000</u>	.....	2015

The 2014 appropriation includes \$290,000 for 2013 and ~~\$1,847,000~~ \$1,924,000 for 2014.

The 2015 appropriation includes ~~\$290,000~~ \$213,000 for 2014 and ~~\$1,847,000~~ \$1,924,000 for 2015.

Sec. 11. Laws 2013, chapter 116, article 3, section 37, subdivision 8, is amended to read:

Subd. 8. **Tribal contract schools.** For tribal contract school aid under Minnesota Statutes, section 124D.83:

\$ <del>2,080,000</del> <u>2,144,000</u>	.....	2014
\$ <del>2,230,000</del> <u>2,152,000</u>	.....	2015

The 2014 appropriation includes \$266,000 for 2013 and ~~\$1,814,000~~ \$1,878,000 for 2014.

The 2015 appropriation includes ~~\$285,000~~ \$208,000 for 2014 and ~~\$1,945,000~~ \$1,944,000 for 2015.

Sec. 12. Laws 2013, chapter 116, article 3, section 37, subdivision 20, is amended to read:

Subd. 20. **Alternative compensation.** For alternative teacher compensation aid under Minnesota Statutes, section 122A.415, subdivision 4:

\$ <del>60,340,000</del> <u>71,599,000</u>	.....	2015
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The 2015 appropriation includes \$0 for 2014 and ~~\$59,711,000~~ \$71,599,000 for 2015.

#### C. CHARTER SCHOOLS

Sec. 13. Laws 2013, chapter 116, article 4, section 9, subdivision 2, is amended to read:

Subd. 2. **Charter school building lease aid.** For building lease aid under Minnesota Statutes, section 124D.11, subdivision 4:

\$ <del>54,484,000</del> <u>54,763,000</u>	.....	2014
\$ <del>59,533,000</del> <u>58,294,000</u>	.....	2015

The 2014 appropriation includes \$6,819,000 for 2013 and ~~\$47,665,000~~ \$47,944,000 for 2014.

The 2015 appropriation includes ~~\$7,502,000~~ \$5,327,000 for 2014 and ~~\$52,031,000~~ \$52,967,000 for 2015.

#### D. SPECIAL PROGRAMS

Sec. 14. Laws 2013, chapter 116, article 5, section 31, subdivision 2, is amended to read:

Subd. 2. **Special education; regular.** For special education aid under Minnesota Statutes, section 125A.75:

\$ <del>997,725,000</del> <u>1,038,514,000</u>	.....	2014
\$ <del>1,108,211,000</del> <u>1,111,641,000</u>	.....	2015

The 2014 appropriation includes \$118,232,000 for 2013 and ~~\$802,884,000~~ \$920,282,000 for 2014.

The 2015 appropriation includes ~~\$169,929,000~~ \$129,549,000 for 2014 and ~~\$938,282,000~~ \$982,092,000 for 2015.

Sec. 15. Laws 2013, chapter 116, article 5, section 31, subdivision 3, is amended to read:

Subd. 3. **Aid for children with disabilities.** For aid under Minnesota Statutes, section 125A.75, subdivision 3, for children with disabilities placed in residential facilities within the district boundaries for whom no district of residence can be determined:

<del>\$1,655,000</del> <u>1,548,000</u>	.....	2014
<del>\$1,752,000</del> <u>1,674,000</u>	.....	2015

If the appropriation for either year is insufficient, the appropriation for the other year is available.

Sec. 16. Laws 2013, chapter 116, article 5, section 31, subdivision 4, is amended to read:

Subd. 4. **Travel for home-based services.** For aid for teacher travel for home-based services under Minnesota Statutes, section 125A.75, subdivision 1:

<del>\$345,000</del> <u>351,000</u>	.....	2014
<del>\$355,000</del> <u>346,000</u>	.....	2015

The 2014 appropriation includes \$45,000 for 2013 and ~~\$300,000~~ \$306,000 for 2014.

The 2015 appropriation includes ~~\$47,000~~ \$33,000 for 2014 and ~~\$308,000~~ \$313,000 for 2015.

#### E. FACILITIES AND TECHNOLOGY

Sec. 17. Laws 2013, chapter 116, article 6, section 12, subdivision 2, is amended to read:

Subd. 2. **Health and safety revenue.** For health and safety aid according to Minnesota Statutes, section 123B.57, subdivision 5:

<del>\$463,000</del> <u>473,000</u>	.....	2014
<del>\$434,000</del> <u>651,000</u>	.....	2015

The 2014 appropriation includes \$26,000 for 2013 and ~~\$437,000~~ \$447,000 for 2014.

The 2015 appropriation includes ~~\$68,000~~ \$49,000 for 2014 and ~~\$366,000~~ \$602,000 for 2015.

Sec. 18. Laws 2013, chapter 116, article 6, section 12, subdivision 3, is amended to read:

Subd. 3. **Debt service equalization.** For debt service aid according to Minnesota Statutes, section 123B.53, subdivision 6:

<del>\$19,083,000</del> <u>19,778,000</u>	.....	2014
<del>\$25,060,000</del> <u>22,591,000</u>	.....	2015

The 2014 appropriation includes \$2,397,000 for 2013 and ~~\$16,686,000~~ \$17,381,000 for 2014.

The 2015 appropriation includes ~~\$2,626,000~~ \$1,931,000 for 2014 and ~~\$22,434,000~~ \$20,660,000 for 2015.

Sec. 19. Laws 2013, chapter 116, article 6, section 12, subdivision 4, is amended to read:

Subd. 4. **Alternative facilities bonding aid.** For alternative facilities bonding aid, according to Minnesota Statutes, section 123B.59, subdivision 1:

<del>\$19,287,000</del> <u>19,982,000</u>	.....	2014
\$19,287,000	.....	2015

The 2014 appropriation includes \$2,623,000 for 2013 and ~~\$16,664,000~~ \$17,359,000 for 2014.

The 2015 appropriation includes ~~\$2,623,000~~ \$1,928,000 for 2014 and ~~\$16,664,000~~ \$17,359,000 for 2015.

Sec. 20. Laws 2013, chapter 116, article 6, section 12, subdivision 6, is amended to read:

Subd. 6. **Deferred maintenance aid.** For deferred maintenance aid, according to Minnesota Statutes, section 123B.591, subdivision 4:

<del>\$3,564,000</del> <u>3,858,000</u>	.....	2014
<del>\$3,730,000</del> <u>4,024,000</u>	.....	2015

The 2014 appropriation includes \$456,000 for 2013 and ~~\$3,108,000~~ \$3,402,000 for 2014.

The 2015 appropriation includes ~~\$489,000~~ \$378,000 for 2014 and ~~\$3,241,000~~ \$3,646,000 for 2015.

#### F. NUTRITION AND LIBRARIES

Sec. 21. Laws 2013, chapter 116, article 7, section 21, subdivision 3, is amended to read:

Subd. 3. **School breakfast.** For traditional school breakfast aid under Minnesota Statutes, section 124D.1158:

<del>\$5,711,000</del> <u>5,308,000</u>	.....	2014
<del>\$6,022,000</del> <u>5,607,000</u>	.....	2015

Sec. 22. Laws 2013, chapter 116, article 7, section 21, subdivision 4, is amended to read:

Subd. 4. **Kindergarten milk.** For kindergarten milk aid under Minnesota Statutes, section 124D.118:

<del>\$1,039,000</del> <u>992,000</u>	.....	2014
<del>\$1,049,000</del> <u>1,002,000</u>	.....	2015

Sec. 23. Laws 2013, chapter 116, article 7, section 21, subdivision 6, is amended to read:

Subd. 6. **Basic system support.** For basic system support grants under Minnesota Statutes, section 134.355:

<del>\$13,570,000</del> <u>14,058,000</u>	.....	2014
<del>\$13,570,000</del> <u>13,570,000</u>	.....	2015

The 2014 appropriation includes \$1,845,000 for 2013 and ~~\$11,725,000~~ \$12,213,000 for 2014.

The 2015 appropriation includes ~~\$1,845,000~~ \$1,357,000 for 2014 and ~~\$11,725,000~~ \$12,213,000 for 2015.

Sec. 24. Laws 2013, chapter 116, article 7, section 21, subdivision 7, is amended to read:

Subd. 7. **Multicounty, multitype library systems.** For grants under Minnesota Statutes, sections 134.353 and 134.354, to multicounty, multitype library systems:

<del>\$1,300,000</del> <u>1,346,000</u>	.....	2014
\$1,300,000	.....	2015

The 2014 appropriation includes \$176,000 for 2013 and ~~\$1,124,000~~ \$1,170,000 for 2014.

The 2015 appropriation includes ~~\$176,000~~ \$130,000 for 2014 and ~~\$1,124,000~~ \$1,170,000 for 2015.

Sec. 25. Laws 2013, chapter 116, article 7, section 21, subdivision 9, is amended to read:

Subd. 9. **Regional library telecommunications aid.** For regional library telecommunications aid under Minnesota Statutes, section 134.355:

<del>\$2,300,000</del> <u>2,382,000</u>	.....	2014
\$2,300,000	.....	2015

The 2014 appropriation includes \$312,000 for 2013 and ~~\$1,988,000~~ \$2,070,000 for 2014.

The 2015 appropriation includes ~~\$312,000~~ \$230,000 for 2014 and ~~\$1,988,000~~ \$2,070,000 for 2015.

#### G. EARLY CHILDHOOD EDUCATION, SELF-SUFFICIENCY, AND LIFELONG LEARNING

Sec. 26. Laws 2013, chapter 116, article 8, section 5, subdivision 3, is amended to read:

Subd. 3. **Early childhood family education aid.** For early childhood family education aid under Minnesota Statutes, section 124D.135:

<del>\$22,078,000</del> <u>22,797,000</u>	.....	2014
<del>\$22,425,000</del> <u>22,001,000</u>	.....	2015

The 2014 appropriation includes \$3,008,000 for 2013 and ~~\$19,070,000~~ \$19,789,000 for 2014.

The 2015 appropriation includes ~~\$3,001,000~~ \$2,198,000 for 2014 and ~~\$19,424,000~~ \$19,803,000 for 2015.

Sec. 27. Laws 2013, chapter 116, article 8, section 5, subdivision 10, is amended to read:

Subd. 10. **Community education aid.** For community education aid under Minnesota Statutes, section 124D.20:

<del>\$935,000</del> <u>955,000</u>	.....	2014
<del>\$1,056,000</del> <u>1,060,000</u>	.....	2015

The 2014 appropriation includes \$118,000 for 2013 and ~~\$817,000~~ \$837,000 for 2014.

The 2015 appropriation includes ~~\$128,000~~ \$93,000 for 2014 and ~~\$928,000~~ \$967,000 for 2015.

Sec. 28. Laws 2013, chapter 116, article 8, section 5, subdivision 11, is amended to read:

Subd. 11. **Adults with disabilities program aid.** For adults with disabilities programs under Minnesota Statutes, section 124D.56:

\$ <del>710,000</del> <u>735,000</u>	. . . . .	2014
\$710,000	. . . . .	2015

The 2014 appropriation includes \$96,000 for 2013 and ~~\$614,000~~ \$639,000 for 2014.

The 2015 appropriation includes ~~\$96,000~~ \$71,000 for 2014 and ~~\$614,000~~ \$639,000 for 2015."

Delete the title and insert:

"A bill for an act relating to education; providing funding and policy modifications for early childhood, kindergarten through grade 12, and adult education, including general education, education excellence, special education, facilities, nutrition, community education, self-sufficiency and lifelong learning, and state agencies; making forecast adjustments; appropriating money; amending Minnesota Statutes 2012, sections 121A.19; 122A.40, subdivision 13; 122A.41, subdivision 6; 122A.415, subdivision 1; 123A.05, subdivision 2; 123A.485; 123A.64; 123B.71, subdivisions 8, 9; 124D.09, subdivisions 9, 13; 124D.111, by adding a subdivision; 124D.16, subdivision 2; 124D.522; 124D.531, subdivision 3; 124D.59, subdivision 2; 125A.76, subdivision 2; 126C.10, subdivisions 25, 26; 127A.45, subdivisions 2, 3; 127A.49, subdivisions 2, 3; 129C.10, subdivision 3, by adding a subdivision; Minnesota Statutes 2013 Supplement, sections 123B.53, subdivisions 1, 5; 123B.54; 123B.75, subdivision 5; 124D.11, subdivision 1; 124D.111, subdivision 1; 124D.165, subdivision 5; 124D.531, subdivision 1; 124D.65, subdivision 5; 124D.862, subdivisions 1, 2; 125A.0942; 125A.11, subdivision 1; 125A.76, subdivisions 1, 2a, 2b, 2c; 125A.79, subdivisions 1, 5, 8; 126C.05, subdivision 15; 126C.10, subdivisions 2, 2a, 2d, 24, 31; 126C.17, subdivisions 6, 7b, 9, 9a; 126C.44; 126C.48, subdivision 8; 127A.47, subdivision 7; Laws 2012, chapter 263, section 1; Laws 2013, chapter 116, article 1, section 58, subdivisions 2, 3, 4, 5, 6, 7, 11; article 3, section 37, subdivisions 3, 4, 5, 6, 8, 11, 15, 20; article 4, section 9, subdivision 2; article 5, section 31, subdivisions 2, 3, 4, 8; article 6, section 12, subdivisions 2, 3, 4, 5, 6; article 7, section 21, subdivisions 2, 3, 4, 6, 7, 9; article 8, section 5, subdivisions 2, 3, 4, 10, 11, 14; article 9, sections 1, subdivision 2; 2; proposing coding for new law in Minnesota Statutes, chapters 123A; 123B; 124D; 129C; repealing Minnesota Statutes 2012, section 123B.71, subdivision 1."

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

The report was adopted.

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

H. F. No. 3203, A bill for an act relating to energy; biodiesel fuel; exempting certain diesel generators from the requirement to use biodiesel fuel; amending Minnesota Statutes 2012, section 239.77, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 239.77, subdivision 2, is amended to read:

Subd. 2. **Minimum content.** (a) Except as otherwise provided in this section, all diesel fuel sold or offered for sale in Minnesota for use in internal combustion engines must contain at least the stated percentage of biodiesel fuel oil by volume on and after the following dates:

(1)	September 29, 2005	2 percent
(2)	May 1, 2009	5 percent
(3)	May 1, 2012	10 percent
(4)	May 1, <del>2015</del> <u>2018</u>	20 percent

The minimum content levels in clauses (3) and (4) are effective during the months of April, May, June, July, August, and September, ~~and October~~ only. The minimum content for the remainder of the year is five percent. However, if the commissioners of agriculture, commerce, and pollution control determine, after consultation with the biodiesel task force and other technical experts, that an American Society for Testing and Materials specification or equivalent federal standard exists for the specified biodiesel blend level in those clauses that adequately addresses technical issues associated with Minnesota's cold weather and publish a notice in the State Register to that effect, the commissioners may allow the specified biodiesel blend level in those clauses to be effective year-round.

(b) The minimum content levels in paragraph (a), clauses (3) and (4), become effective on the date specified only if the commissioners of agriculture, commerce, and pollution control publish notice in the State Register and provide written notice to the chairs of the house of representatives and senate committees with jurisdiction over agriculture, commerce, and transportation policy and finance, at least 270 days prior to the date of each scheduled increase, that all of the following conditions have been met and the state is prepared to move to the next scheduled minimum content level:

(1) an American Society for Testing and Materials specification or equivalent federal standard exists for the next minimum diesel-biodiesel blend;

(2) a sufficient supply of biodiesel is available and the amount of biodiesel produced in this state from feedstock with at least 75 percent that is produced in the United States and Canada is equal to at least 50 percent of anticipated demand at the next minimum content level;

(3) adequate blending infrastructure and regulatory protocol are in place in order to promote biodiesel quality and avoid any potential economic disruption; and

(4) at least five percent of the amount of biodiesel necessary for that minimum content level will be produced from a biological resource other than an agricultural resource traditionally grown or raised in the state, including, but not limited to, algae cultivated for biofuels production, waste oils, and tallow.

The condition in clause (2) may be waived if the commissioner finds that, due to weather-related conditions, the necessary feed stock is unavailable.

The condition in clause (4) may be waived if the commissioners find that the use of these nontraditional feedstocks would be uneconomic under market conditions existing at the time notice is given under this paragraph.

(c) The commissioners of agriculture, commerce, and pollution control must consult with the biodiesel task force when assessing and certifying conditions in paragraph (b), and in general must seek the guidance of the biodiesel task force regarding biodiesel labeling, enforcement, and other related issues.

(d) During a period of biodiesel fuel shortage or a problem with biodiesel quality that negatively affects the availability of biodiesel fuel, the commissioner of commerce may temporarily suspend the minimum content requirement in subdivision 2 until there is sufficient biodiesel fuel, as defined in subdivision 1, available to fulfill the minimum content requirement.

(e) By February 1, 2012, and periodically thereafter, the commissioner of commerce shall determine the wholesale diesel price at various pipeline and refinery terminals in the region, and the biodiesel price determined after credits and incentives are subtracted at biodiesel plants in the region. The commissioner shall report wholesale price differences to the governor who, after consultation with the commissioners of commerce and agriculture, may by executive order adjust the biodiesel mandate if a price disparity reported by the commissioner will cause economic hardship to retailers of diesel fuel in this state. Any adjustment must be for a specified period of time, after which the percentage of biodiesel fuel to be blended into diesel fuel returns to the amount required in subdivision 2. The biodiesel mandate must not be adjusted to less than five percent.

Sec. 2. Minnesota Statutes 2012, section 239.77, subdivision 3, is amended to read:

Subd. 3. ~~Exceptions~~ **Exempt equipment.** (a) The minimum content requirements of subdivision 2 do not apply to fuel used in the following equipment:

(1) motors located at an electric generating plant regulated by the Nuclear Regulatory Commission;

(2) railroad locomotives;

(3) off-road taconite and copper mining equipment and machinery;

(4) off-road logging equipment and machinery; ~~and~~

(5) vessels of the United States Coast Guard and vessels subject to inspection under United States Code, title 46, section 3301, subsection (1), (9), (10), (13), or (15); ~~and~~

(6) generators tested and validated by an entity that designs and manufactures the generators for use in jurisdictions where biodiesel use is not required.

(b) The exemption in paragraph (a), clause (1), expires 30 days after the Nuclear Regulatory Commission has approved the use of biodiesel fuel in motors at electric generating plants under its regulation.

~~(c) The minimum content requirements of subdivision 2 do not apply to Number 1 diesel fuel sold or offered for sale during the months of October, November, December, January, February, and March.~~

~~(d) This subdivision expires May 1, 2015.~~

Sec. 3. Minnesota Statutes 2012, section 239.77, is amended by adding a subdivision to read:

Subd. 3a. **Number 1 diesel fuel exempt.** (a) The minimum content requirements of subdivision 2 do not apply to Number 1 diesel fuel.

(b) This subdivision expires May 1, 2020."

Amend the title as follows:

Page 1, line 2, after "fuel;" insert "modifying minimum biodiesel fuel content requirements;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 3215, A bill for an act relating to the operation of state government; making changes to provisions relating to the Department of Health, Northstar Care for Children program, continuing care, community first services and supports, health care, and chemical dependency; modifying the hospital payment system; modifying provisions governing background studies and home and community-based services standards; setting fees; providing rate increases; amending Minnesota Statutes 2012, sections 13.46, subdivision 4; 245C.03, by adding a subdivision; 245C.04, by adding a subdivision; 245C.05, subdivision 5; 245C.10, by adding a subdivision; 245C.33, subdivisions 1, 4; 252.451, subdivision 2; 254B.12; 256.01, by adding a subdivision; 256.9685, subdivisions 1, 1a; 256.9686, subdivision 2; 256.969, subdivisions 1, 2, 2b, 2c, 3a, 3b, 6a, 9, 10, 14, 17, 30, by adding subdivisions; 256B.0625, subdivision 30; 256B.199; 256B.5012, by adding a subdivision; 256I.05, subdivision 2; 257.85, subdivision 11; 260C.212, subdivision 1; 260C.515, subdivision 4; 260C.611; Minnesota Statutes 2013 Supplement, sections 245.8251; 245A.042, subdivision 3; 245C.08, subdivision 1; 245D.02, subdivisions 3, 4b, 8b, 11, 15b, 29, 34, 34a, by adding a subdivision; 245D.03, subdivisions 1, 2, 3, by adding a subdivision; 245D.04, subdivision 3; 245D.05, subdivisions 1, 1a, 1b, 2, 4, 5; 245D.051; 245D.06, subdivisions 2, 4, 6, 7, 8; 245D.071, subdivisions 3, 4, 5; 245D.081, subdivision 2; 245D.09, subdivisions 3, 4a; 245D.091, subdivisions 2, 3, 4; 245D.10, subdivision 3; 245D.11, subdivision 2; 256B.04, subdivision 21; 256B.055, subdivision 1; 256B.439, subdivisions 1, 7; 256B.4912, subdivision 1; 256B.85, subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 23, 24, by adding subdivisions; 256N.02, by adding a subdivision; 256N.21, subdivision 2, by adding a subdivision; 256N.22, subdivisions 1, 2, 4, 6; 256N.23, subdivisions 1, 4; 256N.24, subdivisions 9, 10; 256N.25, subdivisions 2, 3; 256N.26, subdivision 1; 256N.27, subdivision 4; Laws 2013, chapter 108, article 7, section 49; article 14, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144A; repealing Minnesota Statutes 2012, sections 245.825, subdivisions 1, 1b; 256.969, subdivisions 8b, 9a, 9b, 11, 13, 20, 21, 22, 25, 26, 27, 28; 256.9695, subdivisions 3, 4; Minnesota Statutes 2013 Supplement, sections 245D.02, subdivisions 2b, 2c, 3b, 5a, 8a, 15a, 15b, 23b, 28, 29, 34a; 245D.06, subdivisions 5, 6, 7, 8; 245D.061, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9; 256N.26, subdivision 7; Minnesota Rules, parts 9525.2700; 9525.2810.

Reported the same back with the following amendments:

Page 25, line 11, delete everything before "transferring" and insert "(b) Before the kinship placement agreement is signed for the purpose of"

Page 25, line 22, after the period, insert "The commissioner and the county agency shall expedite any request for a set aside or variance for a background study required under chapter 256N."

Page 42, lines 18 and 19, delete the new language

Page 43, line 18, delete "and"

Page 43, after line 18, insert:

"(9) the court may finalize a permanent transfer of physical and legal custody to a relative regardless of eligibility for Northstar kinship assistance under chapter 256N; and"

Page 43, line 19, delete "(9)" and insert "(10)"

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

The report was adopted.

Mullery from the Committee on Early Childhood and Youth Development Policy to which was referred:

H. F. No. 3216, A bill for an act relating to the operation of state government; making changes to provisions relating to the Department of Health, Northstar Care for Children program, continuing care, community first services and supports, health care, and chemical dependency; modifying the hospital payment system; modifying provisions governing background studies and home and community-based services standards; setting fees; providing rate increases; amending Minnesota Statutes 2012, sections 13.46, subdivision 4; 245C.03, by adding a subdivision; 245C.04, by adding a subdivision; 245C.05, subdivision 5; 245C.10, by adding a subdivision; 245C.33, subdivisions 1, 4; 252.451, subdivision 2; 254B.12; 256.01, by adding a subdivision; 256.9685, subdivisions 1, 1a; 256.9686, subdivision 2; 256.969, subdivisions 1, 2, 2b, 2c, 3a, 3b, 6a, 9, 10, 14, 17, 30, by adding subdivisions; 256B.0625, subdivision 30; 256B.199; 256B.5012, by adding a subdivision; 256L.05, subdivision 2; 257.85, subdivision 11; 260C.212, subdivision 1; 260C.515, subdivision 4; 260C.611; Minnesota Statutes 2013 Supplement, sections 245.8251; 245A.042, subdivision 3; 245A.16, subdivision 1; 245C.08, subdivision 1; 245D.02, subdivisions 3, 4b, 8b, 11, 15b, 29, 34, 34a, by adding a subdivision; 245D.03, subdivisions 1, 2, 3, by adding a subdivision; 245D.04, subdivision 3; 245D.05, subdivisions 1, 1a, 1b, 2, 4, 5; 245D.051; 245D.06, subdivisions 1, 2, 4, 6, 7, 8; 245D.071, subdivisions 3, 4, 5; 245D.081, subdivision 2; 245D.09, subdivisions 3, 4a; 245D.091, subdivisions 2, 3, 4; 245D.10, subdivisions 3, 4; 245D.11, subdivision 2; 256B.04, subdivision 21; 256B.055, subdivision 1; 256B.439, subdivisions 1, 7; 256B.4912, subdivision 1; 256B.85, subdivisions 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 15, 16, 17, 18, 23, 24, by adding subdivisions; 256N.02, by adding a subdivision; 256N.21, subdivision 2, by adding a subdivision; 256N.22, subdivisions 1, 2, 4, 6; 256N.23, subdivisions 1, 4; 256N.24, subdivisions 9, 10; 256N.25, subdivisions 2, 3; 256N.26, subdivision 1; 256N.27, subdivision 4; Laws 2013, chapter 108, article 7, section 49; article 14, section 2, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 144A; repealing Minnesota Statutes 2012, sections 245.825, subdivisions 1, 1b; 256.969, subdivisions 8b, 9a, 9b, 11, 13, 20, 21, 22, 25, 26, 27, 28; 256.9695, subdivisions 3, 4; Minnesota Statutes 2013 Supplement, sections 245D.02, subdivisions 2b, 2c, 5a, 23b; 245D.06, subdivisions 5, 6, 7, 8; 245D.061, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9; 256N.26, subdivision 7; Minnesota Rules, parts 9525.2700; 9525.2810.

Reported the same back with the following amendments:

Page 25, line 11, delete everything before "transferring" and insert "(b) Before the kinship placement agreement is signed for the purpose of"

Page 25, line 22, after the period, insert "The commissioner and the county agency shall expedite any request for a set-aside or variance for a background study required under chapter 256N."

Page 42, lines 18 and 19, delete the new language

Page 43, delete lines 16 to 18 and insert:

"(8) the court may finalize a permanent transfer of physical and legal custody to a relative regardless of eligibility for Northstar kinship assistance under chapter 256N; and"

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

The report was adopted.

Mahoney from the Committee on Jobs and Economic Development Finance and Policy to which was referred:

H. F. No. 3254, A bill for an act relating to economic development; mandating a study and report on North Dakota oil production and economic impacts in Minnesota; appropriating money.

Reported the same back with the following amendments:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 2013 Supplement, section 469.169, subdivision 19, is amended to read:

Subd. 19. **Additional border city allocation; 2013.** (a) In addition to the tax reductions authorized in subdivisions 12 to 18, the commissioner shall allocate \$750,000 for tax reductions to border city enterprise zones in cities located on the western border of the state. The commissioner shall allocate this amount among cities on a per capita basis. Allocations made under this subdivision may be used for tax reductions under section 469.171, or for other offsets of taxes imposed on or remitted by businesses located in the enterprise zone, but only if the municipality determines that the granting of the tax reduction or offset is necessary to retain a business within or attract a business to the zone. The city alternatively may elect to use any portion of the allocation under this paragraph for tax reductions under section 469.1732 or 469.1734.

(b) The commissioner shall allocate \$750,000 for tax reductions under section 469.1732 or 469.1734 to cities with border city enterprise zones located on the western border of the state. The commissioner shall allocate this amount among the cities on a per capita basis. The city alternatively may elect to use any portion of the allocation provided in this paragraph for tax reductions under section 469.171.

(c) On April 1, 2015, the commissioner shall cancel an amount of the allocations under paragraphs (a) and (b) to the general fund in an amount sufficient to equal the expenditures made by the commissioner under the appropriation in section 2. The cancellation must be apportioned equally between the allocations under paragraphs (a) and (b) and distributed among the border cities on a per capita basis.

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

Page 2, after line 9, insert:

"(g) Any amount of the appropriation under paragraph (a) that remains unexpended on March 31, 2015, lapses and is canceled to the general fund on that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "modifying border city allocations;"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 3260, A bill for an act relating to transportation finance; modifying certain appropriations and transfers; amending Laws 2013, chapter 117, article 1, section 3, subdivisions 2, 3, 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
TRANSPORTATION APPROPRIATIONS

Section 1. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 117, article 1, unless otherwise specified, to the agencies and for the purposes specified in this article. Unless otherwise specified, the appropriations are not added to the base appropriation for each purpose. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. For purposes of this article, "the first year" is fiscal year 2014, "the second year" is fiscal year 2015, and "the biennium" is fiscal years 2014 and 2015.

<b><u>APPROPRIATIONS</u></b>	
<b><u>Available for the Year</u></b>	
<b><u>Ending June 30</u></b>	
<b><u>2014</u></b>	<b><u>2015</u></b>

Sec. 2. **DEPARTMENT OF TRANSPORTATION**

<b><u>Subdivision 1. Total Appropriation</u></b>	<b><u>\$10,000,000</u></b>	<b><u>\$37,732,000</u></b>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Multimodal Systems**

(a) <b><u>Election Day Transit Service</u></b>	<b><u>32,000</u></b>
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This appropriation is for allocation to public transit systems under Minnesota Statutes, section 174.24, in amounts that reflect the respective foregone fare revenues from transit service under Minnesota Statutes, section 174.24, subdivision 8.

(b) <b><u>Safe Routes to School</u></b>	<b><u>250,000</u></b>
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This appropriation is for non-infrastructure activities in the safe routes to school program under Minnesota Statutes, section 174.40, subdivision 7a.

**(c) Highway-Rail Grade Crossings; Oil and Other Hazardous Material**5,000,000

This appropriation is for development and implementation of safety improvements at highway grade crossings along rail corridors in which oil or other hazardous materials are transported. The commissioner shall identify highway-rail grade crossing locations and improvements in consultation with railroads and relevant road authorities.

**(d) Port Development Assistance Program**500,000

This appropriation is for grants under the port development assistance program in Minnesota Statutes, chapter 457A.

**Subd. 3. State Roads****(a) Winter-Related Trunk Highway Repair**10,000,000

This appropriation is from the trunk highway fund for materials and supplies related to road repair resulting from effects of the 2013-2014 winter season.

**(b) Transportation Economic Development Program**4,000,000

This appropriation is for the transportation economic development program under Minnesota Statutes, section 174.12.

**(c) Corridors of Commerce Program**15,000,000

This appropriation is for the corridors of commerce program under Minnesota Statutes, section 161.088, and may include right-of-way acquisition for projects included in the program. The commissioner may identify projects based on the most recent selection process or may perform a new selection.

**Subd. 4. Local Roads****(a) Winter-Related County State-Aid Road Repair**3,816,000

This appropriation is for materials and supplies related to road repair resulting from effects of the 2013-2014 winter season.

By September 1, 2014, the commissioner shall apportion funds to counties in the same manner as county state-aid highway funds provided for calendar year 2014 under Minnesota Statutes, section 162.07.

**(b) Winter-Related Municipal State-Aid Road Repair** 1,184,000

This appropriation is for materials and supplies related to road repair resulting from effects of the 2013-2014 winter season.

By September 1, 2014, the commissioner shall apportion funds to cities in the same manner as municipal state-aid street funds provided for calendar year 2014 under Minnesota Statutes, section 162.13.

**Subd. 5. Willmar District Headquarters** 4,370,000

This appropriation is from the trunk highway fund to complete the Willmar district headquarters and is added to the appropriation in Laws 2012, chapter 287, article 1, section 1, subdivision 2.

**Subd. 6. Little Falls Truck Station** 3,580,000

This appropriation is from the trunk highway fund to complete the Little Falls truck station and is added to the appropriation in Laws 2010, chapter 189, section 15, subdivision 15.

**Sec. 3. METROPOLITAN COUNCIL****Subdivision 1. Total Appropriation** \$15,400,000

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Transit Development and Improvements** 15,150,000

This appropriation is for:

(1) arterial bus rapid transit development, which may include but is not limited to design, engineering, construction, capital costs, technology, equipment, and rolling stock;

(2) bus rapid transit station development;

(3) transit shelter improvements under Minnesota Statutes, section 473.41; and

(4) foregone fare revenues from transit service under Minnesota Statutes, section 473.408, subdivision 11. The Metropolitan Council shall allocate amounts under this appropriation to transit providers receiving financial assistance under Minnesota Statutes, section 473.388, based on respective foregone fare revenues.

**Subd. 3. Suburban Transit Providers**250,000

This appropriation is for allocation to replacement service providers operating under Minnesota Statutes, section 473.388, as provided in this subdivision.

Upon receipt of a prioritized listing of expenditure items and amounts submitted by the Suburban Transit Association, or by all replacement service providers jointly, the Metropolitan Council shall distribute all funds appropriated under this subdivision to each identified replacement service provider, following the priority order in the listing. An expenditure item in the listing must be for nonoperating transit-related expenses.

**Sec. 4. DEPARTMENT OF PUBLIC SAFETY****Subdivision 1. Total Appropriation****\$2,060,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Transit Safety Oversight**60,000

\$60,000 in the second year is for light rail transit safety oversight under Minnesota Statutes, section 299A.017, and is added to the base appropriation for the administration and related services program.

**Subd. 3. Capitol Security**2,000,000

This appropriation is for an increase in the number of State Patrol troopers or other security officers assigned to the Capitol complex, and is added to the base appropriation for the capitol security budget activity.

**Sec. 5. TRANSFER; RAILROAD AND PIPELINE SAFETY.**

On or before July 31, 2014, the commissioner of management and budget shall transfer \$2,500,000 from the general fund to the railroad and pipeline safety account in the special revenue fund under Minnesota Statutes, section 299A.55. This is a onetime transfer.

Sec. 6. Laws 2010, chapter 189, section 15, subdivision 12, is amended to read:

**Subd. 12. Rochester Maintenance Facility**~~26,430,000~~ 24,937,000

This appropriation is from the bond proceeds account in the trunk highway fund.

To prepare a site for and design, construct, furnish, and equip a new maintenance facility in Rochester.

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

Sec. 7. Laws 2010, chapter 189, section 26, subdivision 4, is amended to read:

Subd. 4. **Trunk highway fund bond proceeds account.** To provide the money appropriated in this act from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to ~~\$32,945,000~~ \$31,452,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

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

Sec. 8. Laws 2012, chapter 287, article 2, section 1, is amended to read:

Section 1. **ROCHESTER MAINTENANCE FACILITY.**

~~\$16,100,000~~ \$17,593,000 is appropriated to the commissioner of transportation to design, construct, furnish, and equip the maintenance facility in Rochester and corresponding remodeling of the existing district headquarters building. This appropriation is from the bond proceeds account in the trunk highway fund.

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

Sec. 9. Laws 2012, chapter 287, article 2, section 3, is amended to read:

Sec. 3. **TRUNK HIGHWAY FUND BOND PROCEEDS ACCOUNT.**

To provide the money appropriated in this article from the bond proceeds account in the trunk highway fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to ~~\$16,120,000~~ \$17,613,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 167.50 to 167.52, and by the Minnesota Constitution, article XIV, section 11, at the times and in the amounts requested by the commissioner of transportation. The proceeds of the bonds, except accrued interest and any premium received from the sale of the bonds, must be credited to the bond proceeds account in the trunk highway fund.

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

Sec. 10. Laws 2012, First Special Session chapter 1, article 1, section 28, is amended to read:

Sec. 28. **TRANSFERS, REDUCTIONS, CANCELLATIONS, AND BOND SALE AUTHORIZATIONS REDUCED.**

(a) The remaining balance of the appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 7, for the economic development and housing challenge program, estimated to be \$450,000, is transferred to the general fund.

(b) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 5, for Minnesota investment fund grants pursuant to Minnesota Statutes, section 12A.07, is reduced by \$1,358,000.

(c) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 2, for disaster enrollment impact aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$30,000.

(d) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 3, for disaster relief facilities grants pursuant to Minnesota Statutes, section 12A.06, is reduced by \$392,000.

(e) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 4, for disaster relief operating grants pursuant to Minnesota Statutes, section 12A.06, is reduced by \$2,000.

(f) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 12, subdivision 5, for pupil transportation aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$5,000.

(g) The appropriation in Laws 2010, Second Special Session chapter 1, article 2, section 5, subdivision 3, for pupil transportation aid pursuant to Minnesota Statutes, section 12A.06, is reduced by \$271,000.

(h) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 13, for public health activities pursuant to Minnesota Statutes, section 12A.08, is reduced by \$103,000.

(i) ~~\$1,428,000~~ \$534,000 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 4, subdivision 3, for reconstruction and repair of trunk highways and trunk highway bridges is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 2, is reduced by ~~\$1,428,000~~ \$534,000.

(j) \$5,680,000 of the appropriation in Laws 2007, First Special Session chapter 2, article 1, section 4, subdivision 4, as amended by Laws 2008, chapter 289, section 2, for grants to local governments for capital costs related to rehabilitation and replacement of local roads and bridges damaged or destroyed by flooding pursuant to Minnesota Statutes, section 174.50, is canceled. The bond sale authorization in Laws 2007, First Special Session chapter 2, article 1, section 15, subdivision 3, is reduced by \$5,680,000.

(k) \$2,133,000 of the appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 4, subdivision 3, for local road and bridge rehabilitation and replacement pursuant to Minnesota Statutes, section 12A.16, subdivision 3, is canceled. The bond sale authorization in Laws 2010, Second Special Session chapter 1, article 1, section 17, subdivision 2, is reduced by \$2,133,000.

(l) The appropriation in Laws 2010, Second Special Session chapter 1, article 1, section 4, subdivision 2, for state road infrastructure operations and maintenance pursuant to Minnesota Statutes, section 12A.16, subdivision 1, is reduced by \$819,000.

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

Sec. 11. Laws 2013, chapter 117, article 1, section 3, subdivision 2, is amended to read:

Subd. 2. **Multimodal Systems**

(a) **Aeronautics**

(1) <b>Airport Development and Assistance</b>	<del>13,648,000</del>	<del>13,648,000</del>
	<u>14,648,000</u>	<u>16,648,000</u>

This appropriation is from the state airports fund and must be spent according to Minnesota Statutes, section 360.305, subdivision 4.

The base appropriation for fiscal years 2016 and 2017 is \$14,298,000 for each year.

Notwithstanding Minnesota Statutes, section 16A.28, subdivision 6, this appropriation is available for five years after appropriation. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

For the current biennium, the commissioner of transportation may establish different local contribution rates for airport projects than those established in Minnesota Statutes, section 360.305, subdivision 4.

**(2) Aviation Support and Services** 6,386,000 6,386,000

Appropriations by Fund

Airports	5,286,000	5,286,000
Trunk Highway	1,100,000	1,100,000

\$65,000 in each year is from the state airports fund for the Civil Air Patrol.

**(b) Transit** 17,226,000 17,245,000

Appropriations by Fund

General	16,451,000	16,470,000
Trunk Highway	775,000	775,000

\$100,000 in each year is from the general fund for the administrative expenses of the Minnesota Council on Transportation Access under Minnesota Statutes, section 174.285.

\$78,000 in each year is from the general fund for grants to greater Minnesota transit providers as reimbursement for the costs of providing fixed route public transit rides free of charge under Minnesota Statutes, section 174.24, subdivision 7, for veterans certified as disabled.

**(c) Passenger Rail** 500,000 500,000

This appropriation is from the general fund for passenger rail system planning, alternatives analysis, environmental analysis, design, and preliminary engineering under Minnesota Statutes, sections 174.632 to 174.636.

**(d) Freight** 5,653,000 5,153,000

Appropriations by Fund

General	756,000	256,000
Trunk Highway	4,897,000	4,897,000

\$500,000 in the first year is from the general fund to pay for the department's share of costs associated with the cleanup of contaminated state rail bank property. This appropriation is available until expended.

(e) **Safe Routes to School** 250,000 250,000

This appropriation is from the general fund for non-infrastructure activities in the safe routes to school program under Minnesota Statutes, section 174.40, subdivision 7a.

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

Sec. 12. Laws 2013, chapter 117, article 1, section 3, subdivision 3, is amended to read:

Subd. 3. **State Roads**

(a) **Operations and Maintenance** 262,395,000 262,395,000  
287,395,000 280,395,000

\$5,000,000 in each year is for accelerated replacement of snow plowing equipment.

The base appropriation for operations and maintenance for fiscal years 2016 and 2017 is \$267,395,000 in each year.

(b) **Program Planning and Delivery** 206,795,000 206,720,000  
209,720,000

Appropriations by Fund

	2014	2015
H.U.T.D.	75,000	0
Trunk Highway	206,720,000	206,720,000
		<u>209,720,000</u>

The base appropriation for program planning and delivery for fiscal years 2016 and 2017 is \$206,720,000 in each year.

\$250,000 in each year is for the department's administrative costs for creation and operation of the Joint Program Office for Economic Development and Alternative Finance, including costs of hiring a consultant and preparing required reports.

\$130,000 in each year is available for administrative costs of the targeted group business program.

\$266,000 in each year is available for grants to metropolitan planning organizations outside the seven-county metropolitan area.

\$75,000 in each year is available for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$900,000 in each year is available for grants for transportation studies outside the metropolitan area to identify critical concerns, problems, and issues. These grants are available: (1) to regional development commissions; (2) in regions where no regional development commission is functioning, to joint powers boards established under agreement of two or more political subdivisions in the region to exercise the planning functions of a regional development commission; and (3) in regions where no regional development commission or joint powers board is functioning, to the department's district office for that region.

\$75,000 in the first year is from the highway user tax distribution fund to the commissioner for a grant to the Humphrey School of Public Affairs at the University of Minnesota for WorkPlace Telework program congestion relief efforts consisting of maintenance of Web site tools and content. This is a onetime appropriation and is available in the second year.

**(c) State Road Construction Activity**

<b>(1) Economic Recovery Funds - Federal Highway Aid</b>	1,000,000	1,000,000
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This appropriation is to complete projects using funds made available to the commissioner of transportation under title XII of the American Recovery and Reinvestment Act of 2009, Public Law 111-5, and implemented under Minnesota Statutes, section 161.36, subdivision 7. The base appropriation is \$1,000,000 in fiscal year 2016 and \$0 in fiscal year 2017.

<b>(2) State Road Construction</b>	<del>909,400,000</del>	815,600,000
	<u>923,400,000</u>	

It is estimated that these appropriations will be funded as follows:

Appropriations by Fund

Federal Highway Aid	489,200,000	482,200,000
Highway User Taxes	<del>420,200,000</del>	333,400,000
	<u>434,200,000</u>	

The commissioner of transportation shall notify the chairs and ranking minority members of the legislative committees with jurisdiction over transportation finance of any significant events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways, including design-build contracts and consultant usage to support these activities. This includes the cost of actual payment to landowners for lands acquired for highway rights-of-way, payment to lessees, interest subsidies, and relocation expenses.

The base appropriation for state road construction for fiscal years 2016 and 2017 is \$645,000,000 in each year.

\$10,000,000 in each year is for the transportation economic development program under Minnesota Statutes, section 174.12.

The commissioner may expend up to one-half of one percent of the federal appropriations under this clause as grants to opportunity industrialization centers and other nonprofit job training centers for job training programs related to highway construction.

The commissioner may transfer up to \$15,000,000 each year to the transportation revolving loan fund.

The commissioner may receive money covering other shares of the cost of partnership projects. These receipts are appropriated to the commissioner for these projects.

Notwithstanding subdivision 6, the commissioner may transfer up to \$6,000,000 from the trunk highway fund under this appropriation to the Stillwater lift bridge endowment account under Minnesota Statutes, section 165.15.

Of this appropriation, \$14,000,000 in the first year is for the specific improvements to "Old Highway 14" described in the settlement agreement and release executed January 7, 2014, between the state and Steele and Waseca Counties.

**(d) Highway Debt Service**

158,417,000

189,821,000

\$148,917,000 in the first year and \$180,321,000 in the second year are for transfer to the state bond fund. If an appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of management and budget shall notify the senate Committee on Finance and the house of representatives Committee on Ways and Means of the amount of the deficiency and shall then transfer that amount under the statutory open appropriation. Any excess appropriation cancels to the trunk highway fund.

(e) **Electronic Communications** 5,171,000 5,171,000

Appropriations by Fund

General	3,000	3,000
Trunk Highway	5,168,000	5,168,000

The general fund appropriation is to equip and operate the Roosevelt signal tower for Lake of the Woods weather broadcasting.

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

Sec. 13. Laws 2013, chapter 117, article 1, section 4, is amended to read:

Sec. 4. <b>METROPOLITAN COUNCIL</b>	<b>\$107,889,000</b>	<b><u>\$76,970,000</u></b>
		<b><u>76,910,000</u></b>

This appropriation is from the general fund for transit system operations under Minnesota Statutes, sections 473.371 to 473.449.

The base appropriation for fiscal years 2016 and 2017 is ~~\$76,686,000~~ \$76,626,000 in each year.

\$37,000,000 in the first year is for the Southwest Corridor light rail transit line from the Hiawatha light rail transit line in downtown Minneapolis to Eden Prairie, to be used for environmental studies, preliminary engineering, acquisition of real property, or interests in real property, and design. This is a onetime appropriation and is available until expended.

Sec. 14. **EFFECTIVE DATE; SUPERSEDING PROVISIONS.**

Sections 1 to 5 of this article are not effective if House File No. 2395 is enacted in the 2014 legislative session.

ARTICLE 2  
RAILROAD AND PIPELINE SAFETY

Section 1. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

**Subd. 7a. Listed sensitive area.** "Listed sensitive area" means an area or location listed as an area of special economic or environmental importance in an Area Contingency Plan or a Sub-Area Contingency Plan prepared under the federal Clean Water Act, United States Code, title 33, section 1321(j)(4).

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

Sec. 2. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

**Subd. 7b. Local incident commander.** "Local incident commander" means the most senior official at the site of a discharge who has the responsibility for controlling operations at the site, beginning with the senior officer on the first piece of responding emergency equipment to arrive at the discharge site. As more senior officers arrive at the discharge site, the position of local incident commander is passed up the line of authority.

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

Sec. 3. Minnesota Statutes 2012, section 115E.01, is amended by adding a subdivision to read:

Subd. 11d. **Unit train.** "Unit train" means a train with more than 25 tanker railcars carrying oil or hazardous substance cargo.

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

Sec. 4. **[115E.042] PREPAREDNESS AND RESPONSE FOR CERTAIN RAILROADS AND PIPELINES.**

Subdivision 1. **Application.** In addition to the requirements of section 115E.04, a person who owns or operates railroad car rolling stock transporting a unit train must comply with this section. A person who owns or operates pipeline facilities and is required to show specific preparedness under section 115E.03, subdivision 2, must comply with this section as applicable and with the provisions of chapters 299F and 299J.

Subd. 2. **Training.** (a) Each railroad must offer training to each fire department having jurisdiction along the route of unit trains. Initial training under this subdivision must be offered to each fire department by June 30, 2016, and refresher training must be offered to each fire department at least once every three years thereafter.

(b) The training must address the general hazards of oil and hazardous substances, techniques to assess hazards to the environment and to the safety of responders and the public, factors a local incident commander must consider in determining whether to attempt to suppress a fire or to evacuate the public and emergency responders from an area, and other strategies for initial response by local emergency responders. The training must include suggested protocol or practices for local responders to safely accomplish these tasks.

Subd. 3. **Coordination.** Beginning June 30, 2015, each railroad and pipeline company must communicate at least annually with each county or city emergency manager and a senior fire department officer of each fire department having jurisdiction along the route of a unit train or a pipeline to ensure coordination of emergency response activities between the railroad or pipeline company and local responders.

Subd. 4. **Response capabilities; time limits; drills.** (a) Following confirmation of a discharge, a railroad or pipeline company must deliver and deploy sufficient equipment and trained personnel to contain and recover discharged oil or hazardous substances and to protect the environment and public safety.

(b) Within one hour of confirmation of a discharge, a railroad or pipeline company must provide a qualified company employee to advise the local incident commander. The employee may be made available by telephone, and must be authorized to deploy all necessary response resources of the railroad or pipeline company.

(c) Within three hours of confirmation of a discharge, a railroad or pipeline company must be capable of delivering monitoring equipment and a trained operator to assist in protection of responder and public safety. A plan to ensure delivery of monitoring equipment and an operator to a discharge site must be provided each year to the commissioner of public safety.

(d) Within three hours of confirmation of a discharge, a railroad or pipeline company must provide qualified personnel at a discharge site to assess the discharge and to advise the local incident commander.

(e) A railroad or pipeline company must be capable of deploying containment boom from land across sewer outfalls, creeks, ditches, and other places where oil or hazardous substances may drain, in order to contain leaked material before it reaches those resources. The arrangement to provide containment boom and staff may be made by:

(1) training and caching equipment with local jurisdictions;

(2) training and caching equipment with a fire mutual-aid group;

(3) means of an industry cooperative or mutual-aid group;

(4) deployment of a contractor;

(5) deployment of a response organization under state contract; or

(6) other dependable means acceptable to the Pollution Control Agency.

(f) Each arrangement under paragraph (e) must be confirmed each year. Each arrangement must be tested by drill at least once every five years.

(g) Within eight hours of confirmation of a discharge, a railroad or pipeline company must be capable of delivering and deploying oil spill containment booms, boats, oil recovery equipment, trained staff, and all other materials needed to provide:

(1) on-site containment and recovery of a volume of oil equal to ten percent of the calculated worst case discharge at any location along the route; and

(2) protection of listed sensitive areas and potable water intakes within one mile of a discharge site and within eight hours of water travel time downstream in any river or stream that the right-of-way intersects.

(h) Within 60 hours of confirmation of a discharge, a railroad or pipeline company must be capable of delivering and deploying additional oil spill containment booms, boats, oil recovery equipment, trained staff, and all other materials needed to provide containment and recovery of a worst-case oil discharge and to protect listed sensitive areas and potable water intakes at any location along the route.

(i) Each railroad and pipeline must conduct at least one oil containment, recovery, and sensitive area protection drill every three years, at a location and time chosen by the Pollution Control Agency.

**Subd. 5. Prevention and response plans; approval.** (a) By June 30, 2015, a railroad or pipeline company shall submit the prevention and response plan required under section 115E.04, as necessary to comply with the requirements of this section, to the commissioner of the Pollution Control Agency on a form designated by the commissioner.

(b) By June 30 of every third year following a plan submission under this subdivision, a railroad and pipeline company must update and resubmit the prevention and response plan for approval by the commissioner.

**EFFECTIVE DATE.** Subdivisions 1 to 3 and 5 are effective the day following final enactment. Subdivision 4 is effective July 1, 2015.

Sec. 5. Minnesota Statutes 2012, section 115E.08, is amended by adding a subdivision to read:

**Subd. 3a. Railroad and pipeline preparedness; pollution control.** The Pollution Control Agency shall carry out environmental protection activities related to railroad and pipeline discharge preparedness. Duties under this subdivision include, but are not limited to:

(1) assisting local emergency managers and fire officials in understanding the hazards of oil and hazardous substances, as well as general strategies for containment and environmental protection;

(2) assisting railroads and pipeline companies to identify natural resources and sensitive areas, and to devise strategies to contain and recover oil and hazardous substances from land and waters along routes;

(3) facilitating cooperation between railroad and pipeline companies for mutual aid arrangements that provide training, staff, and equipment as required by this chapter;

(4) participating in drills and training sessions;

(5) reviewing each railroad and pipeline company's prevention and response plans for compliance with the requirements of this chapter, and assessing each company's readiness to protect the environment;

(6) conducting inspections and drills as necessary to determine the railroad or pipeline company's compliance with the requirements of this chapter and ability to protect the environment; and

(7) conducting follow-up corrective action directives, orders, and enforcement as necessary based on a finding of inadequate environmental protection preparedness.

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

Sec. 6. Minnesota Statutes 2012, section 115E.08, is amended by adding a subdivision to read:

**Subd. 3b. Railroad and pipeline preparedness; public safety.** The commissioner of public safety shall carry out public safety protection activities related to railroad and pipeline spill and discharge preparedness. Duties under this subdivision include, but are not limited to:

(1) assisting local emergency managers and fire officials to understand the hazards of oil and hazardous substances, as well as general strategies for hazard identification, initial isolation, and other actions necessary to ensure public safety;

(2) assisting railroads and pipeline companies to develop suggested protocols and practices for local first responder use in protecting the public's safety;

(3) facilitating cooperation between railroads, pipeline companies, county and city emergency managers, and other public safety organizations;

(4) participating in major exercises and training sessions;

(5) assisting local units of government to incorporate railroad and pipeline hazard and response information into local emergency operations plans;

(6) monitoring the public safety-related training and planning requirements of section 115E.03; and

(7) referring noncompliance with section 115E.03 to the Pollution Control Agency.

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

Sec. 7. Minnesota Statutes 2012, section 219.015, subdivision 1, is amended to read:

Subdivision 1. ~~Position~~ **Positions established; duties.** (a) The commissioner of transportation shall establish a position of three state rail safety inspector positions in the Office of Freight and Commercial Vehicle Operations of the Minnesota Department of Transportation. On or after July 1, 2015, the commissioner may establish a fourth

state rail safety inspector position following consultation with railroad companies. The commissioner shall apply to and enter into agreements with the Federal Railroad Administration (FRA) of the United States Department of Transportation to participate in the federal State Rail Safety ~~Partnership~~ Participation Program for training and certification of an inspector under authority of United States Code, title 49, sections 20103, 20105, 20106, and 20113, and Code of Federal Regulations, title 49, part 212.

~~The~~ (b) A state rail safety inspector shall inspect mainline track, secondary track, and yard and industry track; inspect railroad right-of-way, including adjacent or intersecting drainage, culverts, bridges, overhead structures, and traffic and other public crossings; inspect yards and physical plants; review and enforce safety requirements; review maintenance and repair records; and review railroad security measures.

(c) A state rail safety inspector may perform, but is not limited to, the duties described in the federal State Rail Safety Participation Program. An inspector may train, be certified, and participate in any of the federal State Rail Safety Participation Program disciplines, including track, signal and train control, motive power and equipment, operating practices compliance, hazardous materials, and highway-rail grade crossings.

(d) To the extent delegated by the Federal Railroad Administration and authorized by the commissioner, the an inspector may issue citations for violations of this chapter, or to ensure railroad employee and public safety and welfare.

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

Sec. 8. Minnesota Statutes 2012, section 219.015, subdivision 2, is amended to read:

Subd. 2. **Railroad company assessment; account; appropriation.** (a) As provided in this subdivision, the commissioner shall annually assess railroad companies that are (1) defined as common carriers under section 218.011; (2) classified by federal law or regulation as Class I Railroads, ~~or Class I Rail Carriers,~~ Class II Railroads, or Class II Rail Carriers; and (3) operating in this state; and

(b) The assessment must be by a division of state rail safety inspector program costs in equal proportion between carriers based on route miles operated in Minnesota, assessed in equal amounts for 365 days of the calendar year. The commissioner shall assess all start-up or re-establishment costs, ~~and~~ all related costs of initiating the state rail safety inspector program beginning July 1, 2008. The, and ongoing state rail inspector duties ~~must begin and be assessed on January 1, 2009.~~

(c) The assessments must be deposited in a special account in the special revenue fund, to be known as the state rail safety inspection account. Money in the account is appropriated to the commissioner and may be expended to cover the costs incurred for the establishment and ongoing responsibilities of the state rail safety inspector program.

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

Sec. 9. **[299A.55] RAILROAD AND PIPELINE SAFETY; OIL AND OTHER HAZARDOUS MATERIALS.**

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

(b) "Applicable rail carrier" means a railroad company that is subject to an assessment under section 219.015, subdivision 2.

(c) "Hazardous substance" has the meaning given in section 115B.02, subdivision 8.

(d) "Oil" has the meaning given in section 115E.01, subdivision 8.

(e) "Pipeline company" means any individual, partnership, association, or public or private corporation required to show specific preparedness under section 115E.03, subdivision 2.

Subd. 2. **Railroad and pipeline safety account.** (a) A railroad and pipeline safety account is created in the special revenue fund. The account consists of funds collected under subdivision 4 and funds donated, allotted, transferred, or otherwise provided to the account.

(b) \$208,000 is annually appropriated to the commissioner of the Pollution Control Agency for environmental protection activities related to railroad and pipeline discharge preparedness under chapter 115E.

(c) Following the appropriation in paragraph (b), the remaining money in the account is annually appropriated to the commissioner of public safety for the purposes specified in subdivision 3.

Subd. 3. **Allocation of railroad and pipeline safety funds.** (a) Subject to funding appropriated for this subdivision, the commissioner shall provide funds for training and response preparedness related to (1) derailments, discharge incidents, or spills involving trains carrying oil or other hazardous substances, and (2) pipeline discharge incidents or spills involving oil or other hazardous substances.

(b) The commissioner shall allocate available funds to the Board of Firefighter Training and Education under section 299N.02 and the Division of Homeland Security and Emergency Management.

(c) Prior to making allocations under paragraph (b), the commissioner shall consult with the Fire Service Advisory Committee under section 299F.012, subdivision 2.

(d) The commissioner and the entities identified in paragraph (b) shall prioritize uses of funds based on:

(1) firefighter training needs;

(2) community risk from discharge incidents or spills;

(3) geographic balance; and

(4) recommendations of the Fire Service Advisory Committee.

(e) The following are permissible uses of funds provided under this subdivision:

(1) training costs, which may include but are not limited to training curriculum, trainers, trainee overtime salary, other personnel overtime salary, and tuition;

(2) costs of gear and equipment related to hazardous materials readiness, response, and management, which may include but is not limited to original purchase, maintenance, and replacement;

(3) supplies related to the uses under clauses (1) and (2); and

(4) emergency preparedness planning and coordination.

(f) Notwithstanding paragraph (b), from funds in the railroad and pipeline safety account provided for the purposes under this subdivision, the commissioner may retain a balance in the account for budgeting in subsequent fiscal years.

Subd. 4. **Assessments; oil and hazardous substances.** (a) The commissioner of public safety shall annually assess \$2,500,000 to railroad and pipeline companies based on the formula specified in paragraph (b). The commissioner shall deposit funds collected under this subdivision in the railroad and pipeline safety account under subdivision 2.

(b) The assessment for each railroad is 50 percent of the total annual assessment amount, divided in equal proportion between applicable rail carriers based on route miles operated in Minnesota. The assessment for each pipeline company is 50 percent of the total annual assessment amount, divided in equal proportion between companies based on the yearly aggregate gallons of oil and hazardous substance transported in Minnesota. The assessment must be in equal amounts for each day of the fiscal year.

(c) The assessments under this subdivision expire July 1, 2019.

Sec. 10. **REPORTS ON INCIDENT PREPAREDNESS FOR OIL AND OTHER HAZARDOUS MATERIALS TRANSPORTATION.**

Subdivision 1. **Report on response preparedness.** By January 15, 2015, the commissioner of public safety shall submit a report on emergency response preparedness in the public and private sectors for incidents involving oil and other hazardous materials transported by rail and pipeline to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and public safety policy and finance. At a minimum, the report must:

(1) summarize the preparedness and emergency response framework in the state;

(2) provide an assessment of costs and needs of fire departments and other emergency first responders for training and equipment to respond to discharge or spill incidents involving oil and other hazardous materials transported by rail and pipeline;

(3) develop a comprehensive public and private response capacity inventory that, to the extent feasible, includes statewide identification of major emergency response equipment, equipment staging locations, mutual aid agreements, and capacities across industries involved in transportation and storage of oil and other hazardous materials;

(4) provide information and analysis that forms the basis for allocation of funds under Minnesota Statutes, section 299A.55;

(5) develop benchmarks or assessment criteria for the evaluation under subdivision 2;

(6) assist in long-range oil and other hazardous materials incident preparedness planning; and

(7) make recommendations for any legislative changes.

Subd. 2. **Evaluation of response preparedness and funding.** By November 1, 2017, the commissioner of public safety shall submit an evaluation of railroad and pipeline safety preparedness and funding related to incidents involving oil and other hazardous materials to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation and public safety policy and finance. At a minimum, the evaluation must:

(1) provide an update to the report under subdivision 1 that identifies notable changes and provides updated information as appropriate;

(2) evaluate the effectiveness of training and response preparedness activities under Minnesota Statutes, section 299A.55, using the criteria established under subdivision 1, clause (5);

(3) identify current sources of funds, funding levels, and any unfunded needs for preparedness activities;

(4) analyze equity in the distribution of funding sources for preparedness activities, which must include but is not limited to (i) examination of the public-private partnership financing model, and (ii) review of balance across industries involved in storage and distribution of oil and other hazardous materials; and

(5) make recommendations for any programmatic or legislative changes.

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

Sec. 11. **IMPROVEMENTS STUDY ON GRADE CROSSINGS AND RAIL SAFETY FOR OIL AND OTHER HAZARDOUS MATERIALS TRANSPORTATION.**

(a) The commissioner of transportation shall conduct a study on highway-rail grade crossing improvement for oil and other hazardous materials transported by rail, and on rail safety. At a minimum, the study must:

(1) provide information that assists in risk management associated with transportation of oil and other hazardous materials by rail;

(2) develop criteria to prioritize needs and improvements at highway-rail grade crossings;

(3) consider alternatives for safety improvements, including but not limited to active warning devices such as gates and signals, closings, and grade separation;

(4) provide findings and recommendations that serve to direct accelerated investments in highway-rail grade crossing safety improvements; and

(5) analyze state inspection activities and staffing for track and hazardous materials under Minnesota Statutes, section 219.015.

(b) The commissioner shall submit an interim update on the study by August 31, 2014, and a final report by October 31, 2014, to the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance.

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

ARTICLE 3  
TRANSPORTATION FINANCE PROVISIONS

Section 1. Minnesota Statutes 2012, section 165.15, subdivision 2, is amended to read:

Subd. 2. **Use of funds.** (a) Income derived from the investment of principal in the account may be used by the commissioner of transportation for operations and routine maintenance, including bridge safety inspections and reactive repairs, of the Stillwater lift bridge. No money from this account may be used for any purposes except those described in this section, and no money from this account may be transferred to any other account in the state treasury without specific legislative authorization. ~~Any money transferred from the trunk highway fund may only be used for trunk highway purposes.~~ For the purposes of this section:

(1) "Income" is the amount of interest on debt securities and dividends on equity securities. Any gains or losses from the sale of securities must be added to the principal of the account.

(2) "Routine maintenance" means activities that are predictable and repetitive, but not activities that would constitute major repairs or rehabilitation.

(b) Investment management fees incurred by the State Board of Investment are eligible expenses for reimbursement from the account.

(c) The commissioner of transportation has authority to approve or deny expenditures of funds in the account.

Sec. 2. Minnesota Statutes 2012, section 168.123, subdivision 1, is amended to read:

Subdivision 1. **General requirements; fees.** (a) On payment of a fee of \$10 for each set of two plates, or for a single plate in the case of a motorcycle plate, payment of the registration tax required by law, and compliance with other applicable laws relating to vehicle registration and licensing, as applicable, the commissioner shall issue:

(1) special veteran's plates to an applicant who served in the active military service in a branch of the armed forces of the United States or of a nation or society allied with the United States in conducting a foreign war, was discharged under honorable conditions, and is a registered owner of a passenger automobile ~~as defined in section 168.002, subdivision 24~~, recreational motor vehicle ~~as defined in section 168.002, subdivision 27~~, or one-ton pickup truck ~~as defined in section 168.002, subdivision 21b~~, but which is not a commercial motor vehicle as defined in section 169.011, subdivision 16; or

(2) a veteran's special motorcycle plate as described in subdivision 2, paragraph (a), (f), (h), (i), or (j), or another special plate designed by the commissioner to an applicant who is a registered owner of a motorcycle ~~as defined in section 168.002, subdivision 19~~, and meets the criteria listed in this paragraph and in subdivision 2, paragraph (a), (f), (h), (i), or (j). Plates issued under this clause must be the same size as regular motorcycle plates. Special motorcycle license plates issued under this clause are not subject to section 168.1293.

(b) The additional fee of \$10 is payable for each set of veteran's plates, is payable only when the plates are issued, and is not payable in a year in which stickers are issued instead of plates.

(c) The veteran must have a certified copy of the veteran's discharge papers, indicating character of discharge, at the time of application. If an applicant served in the active military service in a branch of the armed forces of a nation or society allied with the United States in conducting a foreign war and is unable to obtain a record of that service and discharge status, the commissioner of veterans affairs may certify the applicant as qualified for the veterans' plates provided under this section.

(d) For license plates issued for the woman veteran plate described in subdivision 2, paragraph (n), the commissioner shall collect a surcharge of \$5 on each \$10 fee collected for that plate under paragraph (a). The surcharge must be deposited in the women veterans license plate account, established in the state treasury, and the money in that account is appropriated each year to the commissioner of veterans affairs for a grant to the Minnesota Women Veterans Initiative Working Group for use in promoting public recognition of women serving in the military and of women veterans.

Sec. 3. Minnesota Statutes 2013 Supplement, section 168.123, subdivision 2, is amended to read:

Subd. 2. **Design.** (a) The commissioner of veterans affairs shall design the emblem for the veterans' special plates, subject to the approval of the commissioner, that satisfy the following requirements:

~~(a)~~ (b) For a Vietnam veteran who served after July 1, 1961, and before July 1, 1978, in the active military service in a branch of the armed forces of the United States or a nation or society allied with the United States the special plates must bear the inscription "VIETNAM VET."

~~(b)~~ (c) For a veteran stationed on the island of Oahu, Hawaii, or offshore, during the attack on Pearl Harbor on December 7, 1941, the special plates must bear the inscription "PEARL HARBOR SURVIVOR."

~~(e)~~ (d) For a veteran who served during World War II, the plates must bear the inscription "WORLD WAR VET."

~~(d)~~ (e) For a veteran who served during the Korean Conflict, the special plates must bear the inscription "KOREAN VET."

~~(e)~~ (f) For a combat wounded veteran who is a recipient of the Purple Heart medal, the plates must bear the inscription "COMBAT WOUNDED VET" and have a facsimile or an emblem of the official Purple Heart medal.

A member of the United States armed forces who is serving actively in the military and who is a recipient of the Purple Heart medal is also eligible for this license plate. The commissioner of public safety shall ensure that information regarding the required proof of eligibility for any applicant under this paragraph who has not yet been issued military discharge papers is distributed to the public officials responsible for administering this section.

~~(f)~~ (g) For a Persian Gulf War veteran, the plates must bear the inscription "GULF WAR VET." For the purposes of this section, "Persian Gulf War veteran" means a person who served on active duty after August 1, 1990, in a branch of the armed forces of the United States or a nation or society allied with the United States or the United Nations during Operation Desert Shield, Operation Desert Storm, or other military operation in the Persian Gulf area combat zone as designated in United States Presidential Executive Order No. 12744, dated January 21, 1991.

~~(g)~~ (h) For a veteran who served in the Laos War after July 1, 1961, and before July 1, 1978, the special plates must bear the inscription "LAOS WAR VET."

~~(h)~~ (i) For a veteran who is the recipient of:

(1) the Iraq Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "IRAQ WAR VET" directly below the special plate number;

(2) the Afghanistan Campaign Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "AFGHAN WAR VET" directly below the special plate number;

(3) the Global War on Terrorism Expeditionary Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number; or

(4) the Armed Forces Expeditionary Medal, the special plates must bear an appropriate inscription that includes a facsimile of that medal.

~~(i)~~ (j) For a veteran who is the recipient of the Global War on Terrorism Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "GWOT VETERAN" directly below the special plate number. In addition, any member of the National Guard or other military reserves who has been ordered to federally funded state active service under United States Code, title 32, as defined in section 190.05, subdivision 5b, and who is the recipient of the Global War on Terrorism Service Medal, is eligible for the license plate described in this paragraph, irrespective of whether that person qualifies as a veteran under section 197.447.

~~(j)~~ (k) For a veteran who is the recipient of the Korean Defense Service Medal, the special plates must be inscribed with a facsimile of that medal and must bear the inscription "KOREAN DEFENSE SERVICE" directly below the special plate number.

~~(k)~~ (l) For a veteran who is a recipient of the Bronze Star medal, the plates must bear the inscription "BRONZE STAR VET" and have a facsimile or an emblem of the official Bronze Star medal.

~~(j)~~ (m) For a veteran who is a recipient of the Silver Star medal, the plates must bear the inscription "SILVER STAR VET" and have a facsimile or an emblem of the official Silver Star medal.

(n) For a woman veteran, the plates must bear the inscription "WOMAN VETERAN" and have a facsimile or an emblem as designated by the commissioners of veterans affairs and public safety.

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

Sec. 4. Minnesota Statutes 2012, section 169.826, is amended by adding a subdivision to read:

Subd. 7. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 5. Minnesota Statutes 2012, section 169.8261, is amended by adding a subdivision to read:

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 6. Minnesota Statutes 2012, section 169.86, subdivision 5, is amended to read:

Subd. 5. **Fees; proceeds deposited; appropriation.** The commissioner, with respect to highways under the commissioner's jurisdiction, may charge a fee for each permit issued. The fee for an annual permit that expires by law on the date of the vehicle registration expiration must be based on the proportion of the year that remains until the expiration date. Unless otherwise specified, all fees for permits issued by the commissioner of transportation must be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees are:

(a) \$15 for each single trip permit.

(b) \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight, and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(2) motor vehicles that travel on interstate highways and carry loads authorized under subdivision 1a;

(3) motor vehicles operating with gross weights authorized under section 169.826, subdivision 1a;

(4) special pulpwood vehicles described in section 169.863;

- (5) motor vehicles bearing snowplow blades not exceeding ten feet in width;
- (6) noncommercial transportation of a boat by the owner or user of the boat;
- (7) motor vehicles carrying bales of agricultural products authorized under section 169.862; and
- (8) special milk-hauling vehicles authorized under section 169.867.

(d) \$120 for an oversize annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

- (1) mobile cranes;
- (2) construction equipment, machinery, and supplies;
- (3) manufactured homes and manufactured storage buildings;
- (4) implements of husbandry;
- (5) double-deck buses;

(6) commercial boat hauling and transporting waterfront structures, including, but not limited to, portable boat docks and boat lifts;

(7) three-vehicle combinations consisting of two empty, newly manufactured trailers for cargo, horses, or livestock, not to exceed 28-1/2 feet per trailer; provided, however, the permit allows the vehicles to be moved from a trailer manufacturer to a trailer dealer only while operating on twin-trailer routes designated under section 169.81, subdivision 3, paragraph (c); and

(8) vehicles operating on that portion of marked Trunk Highway 36 described in section 169.81, subdivision 3, paragraph (e).

(e) For vehicles that have axle weights exceeding the weight limitations of sections 169.823 to 169.829, an additional cost added to the fees listed above. However, this paragraph applies to any vehicle described in section 168.013, subdivision 3, paragraph (b), but only when the vehicle exceeds its gross weight allowance set forth in that paragraph, and then the additional cost is for all weight, including the allowance weight, in excess of the permitted maximum axle weight. The additional cost is equal to the product of the distance traveled times the sum of the overweight axle group cost factors shown in the following chart:

#### Overweight Axle Group Cost Factors

Cost Per Mile For Each Group Of:

Weight (pounds) exceeding weight limitations on axles	Two consecutive axles spaced within 8 feet or less	Three consecutive axles spaced within 9 feet or less	Four consecutive axles spaced within 14 feet or less
0 - 2,000	.12	.05	.04
2,001 - 4,000	.14	.06	.05
4,001 - 6,000	.18	.07	.06
6,001 - 8,000	.21	.09	.07

8,001 - 10,000	.26	.10	.08
10,001 - 12,000	.30	.12	.09
12,001 - 14,000	Not permitted	.14	.11
14,001 - 16,000	Not permitted	.17	.12
16,001 - 18,000	Not permitted	.19	.15
18,001 - 20,000	Not permitted	Not permitted	.16
20,001 - 22,000	Not permitted	Not permitted	.20

The amounts added are rounded to the nearest cent for each axle or axle group. The additional cost does not apply to paragraph (c), clauses (1) and (3).

For a vehicle found to exceed the appropriate maximum permitted weight, a cost-per-mile fee of 22 cents per ton, or fraction of a ton, over the permitted maximum weight is imposed in addition to the normal permit fee. Miles must be calculated based on the distance already traveled in the state plus the distance from the point of detection to a transportation loading site or unloading site within the state or to the point of exit from the state.

(f) As an alternative to paragraph (e), an annual permit may be issued for overweight, or oversize and overweight, mobile cranes; construction equipment, machinery, and supplies; implements of husbandry; and commercial boat hauling. The fees for the permit are as follows:

Gross Weight (pounds) of Vehicle	Annual Permit Fee
90,000 or less	\$200
90,001 - 100,000	\$300
100,001 - 110,000	\$400
110,001 - 120,000	\$500
120,001 - 130,000	\$600
130,001 - 140,000	\$700
140,001 - 145,000	\$800
145,001 - 155,000	\$900

If the gross weight of the vehicle is more than 155,000 pounds the permit fee is determined under paragraph (e).

(g) For vehicles which exceed the width limitations set forth in section 169.80 by more than 72 inches, an additional cost equal to \$120 added to the amount in paragraph (a) when the permit is issued while seasonal load restrictions pursuant to section 169.87 are in effect.

(h) \$85 for an annual permit to be issued for a period not to exceed 12 months, for refuse-compactor vehicles that carry a gross weight of not more than: 22,000 pounds on a single rear axle; 38,000 pounds on a tandem rear axle; or, subject to section 169.828, subdivision 2, 46,000 pounds on a tridem rear axle. A permit issued for up to 46,000 pounds on a tridem rear axle must limit the gross vehicle weight to not more than 62,000 pounds.

(i) \$300 for a motor vehicle described in section 169.8261. The fee under this paragraph must be deposited as follows:

(1) the first \$50,000 in each fiscal year must be deposited in the trunk highway fund for costs related to administering the permit program and inspecting and posting bridges; and

(2) all remaining money in each fiscal year must be deposited in the bridge inspection and signing account as provided under subdivision 5b.

(j) Beginning August 1, 2006, \$200 for an annual permit for a vehicle operating under authority of section 169.824, subdivision 2, paragraph (a), clause (2).

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 7. Minnesota Statutes 2012, section 169.863, is amended by adding a subdivision to read:

Subd. 3. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 8. Minnesota Statutes 2012, section 169.865, subdivision 1, is amended to read:

Subdivision 1. **Six-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of six or more axles to haul raw or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

(1) 90,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Notwithstanding subdivision 3, paragraph (a), clause (4), a vehicle or combination of vehicles operated under this subdivision and transporting only sealed intermodal containers may be operated on an interstate highway if allowed by the United States Department of Transportation.

(c) The fee for a permit issued under this subdivision is \$300, or a proportional amount as provided in section 169.86, subdivision 5.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 9. Minnesota Statutes 2012, section 169.865, subdivision 2, is amended to read:

Subd. 2. **Seven-axle vehicles.** (a) A road authority may issue an annual permit authorizing a vehicle or combination of vehicles with a total of seven or more axles to haul raw or unprocessed agricultural products and be operated with a gross vehicle weight of up to:

(1) 97,000 pounds; and

(2) 99,000 pounds during the period set by the commissioner under section 169.826, subdivision 1.

(b) Drivers of vehicles operating under this subdivision must comply with driver qualification requirements adopted under section 221.0314, subdivisions 2 to 5, and Code of Federal Regulations, title 49, parts 40 and 382.

(c) The fee for a permit issued under this subdivision is \$500, or a proportional amount as provided in section 169.86, subdivision 5.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 10. Minnesota Statutes 2012, section 169.865, is amended by adding a subdivision to read:

Subd. 5. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 11. Minnesota Statutes 2012, section 169.866, subdivision 3, is amended to read:

Subd. 3. **Permit fee; appropriation.** Vehicle permits issued under subdivision 1 must be annual permits. The fee is \$850 for each vehicle, or a proportional amount as provided in section 169.86, subdivision 5, and must be deposited in the trunk highway fund. An amount sufficient to administer the permit program is appropriated from the trunk highway fund to the commissioner for the costs of administering the permit program.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 12. Minnesota Statutes 2012, section 169.866, is amended by adding a subdivision to read:

Subd. 4. **Expiration date.** Upon request of the permit applicant, the expiration date for a permit issued under this section must be the same as the expiration date of the permitted vehicle's registration.

**EFFECTIVE DATE.** This section is effective November 30, 2016, and applies to permits issued on and after that date.

Sec. 13. Minnesota Statutes 2012, section 174.24, is amended by adding a subdivision to read:

Subd. 8. **Transit service on election day.** An eligible recipient of operating assistance under this section who contracts or has contracted to provide fixed route public transit shall provide fixed route public transit service free of charge on a day a state general election is held.

**EFFECTIVE DATE.** This section is effective July 1, 2014, and expires November 5, 2014.

Sec. 14. Minnesota Statutes 2013 Supplement, section 174.42, subdivision 2, is amended to read:

Subd. 2. **Funding requirement.** In each federal fiscal year, the commissioner shall obtain a total amount in federal authorizations for reimbursement on transportation alternatives projects that is equal to or greater than the annual average of federal authorizations on transportation alternatives projects calculated over ~~the preceding four~~ federal fiscal years 2009 to 2012.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to authorizations for federal fiscal year 2015 and subsequent federal fiscal years.

Sec. 15. **[219.375] RAILROAD YARD LIGHTING.**

Subdivision 1. **General requirements.** (a) All railroad common carriers, and their officers, agents, and employees, operating a railroad in this state are required to maintain lighting between sunset and sunrise above switches in railroad yards where:

(1) cars or locomotives are switched or inspected; or

(2) cars are switched to assemble or disassemble trains.

(b) Railroad common carriers shall provide lighting adjacent to those portions of railroad yard tracks where railroad common carrier employees frequently work on the ground performing switching, inspection, and repair activities. For purposes of this section, "frequently work" means at least five days per week.

(c) Railroad yard lighting over switches and inspection areas must:

(1) conform with the guidelines set forth by the American Railway Engineering and Manufacturing Association (AREMA);

(2) include at least one lighting source for each two-yard track switch segment; and

(3) be displayed from a height of at least 30 feet above the railroad yard lead-track area.

(d) Lighting over switches and other light sources within railroad yards or at other railroad locations must be:

(1) maintained to illuminate as designed;

(2) compliant with the National Electrical Code;

(3) kept clear of obstructions; and

(4) focused on the railroad common carrier property designed to be illuminated.

(e) The energy source for lighting is permitted, though not required, to:

(1) be direct wired from a carrier facility power source, have solar panel power with a battery storage source, or have another constant energy source; or

(2) be designed to have standard or light-emitting diode fixtures or electrical circuits that include power saving or ambient atmosphere actuating switches.

(f) Railroad common carriers must replace damaged or nonoperative lighting within 48 hours after light source damage has been reported to the carrier.

Subd. 2. **Allowances for unusual conditions.** Railroad common carriers are not required to comply with the requirements of this section during:

(1) maintenance activities;

(2) derailments;

(3) any period of heavy rain or snow, washouts, or similar weather or seismic conditions; or

(4) a reasonable period after any occurrence identified in clauses (1) to (3), but no longer than is necessary to achieve compliance with this section.

Subd. 3. **Lighting orders; commissioner authority.** (a) When the commissioner finds that railroad common carrier employees who frequently work adjacent to a portion of track performing switching, inspection, maintenance, repair, or fueling activities are exposed to hazard resulting from the lack of lighting, or to the condition

of lighting constructed before July 1, 2014, the commissioner may order a railroad common carrier to construct lighting adjacent to a portion of track where employees are performing switching, inspection, maintenance, repair, or fueling activities, or require a railroad common carrier to modify existing lighting to conform with the standards set forth by AREMA lighting standards, within a reasonable period of time.

(b) A railroad common carrier, person, or corporation may appeal an order under this subdivision. An appeal under this paragraph is subject to the processes and requirements of chapter 14.

Subd. 4. **Failure to correct.** If a railroad common carrier, person, or corporation fails to correct a violation of this section within the time provided in an order issued by the commissioner of transportation under subdivision 3, and the railroad common carrier, person, or corporation does not appeal the order, the failure to correct the violation as ordered by the commissioner constitutes a new and separate offense distinct from the original violation of this section.

Subd. 5. **Complaints.** No formal complaint of an alleged violation of this section may be filed until the filing party has attempted to address the alleged violations with the railroad common carrier. Any complaint of an alleged violation must contain a written statement that the filing party has made a reasonable, good faith attempt to address the alleged violation.

Subd. 6. **Waiver.** Upon written request of a railroad common carrier, the commissioner of transportation may waive any portion of this section if conditions do not reasonably permit compliance. The commissioner's decision is subject to section 218.041, and must include an on-site inspection of the area for which the waiver has been requested. The inspection shall occur between sunset and sunrise, and all parties of interest shall be permitted to attend.

Subd. 7. **Violations and penalties.** A railroad common carrier, corporation, or person who violates this section is subject to a penalty not to exceed \$500 for each violation.

Subd. 8. **Exceptions; applicability.** (a) This section establishes minimum standards for railroad yard lighting. Nothing in this section shall be construed to preclude design of railroad yard towers with multiple lighting sources, a brighter lighting design, or other features that exceed the requirements of this section.

(b) This section applies to all Class I and Class II railroad common carrier railroad yards. This section does not apply to an entity that owns or operates track in Minnesota that is not a Class I or Class II railroad common carrier as classified by the Federal Railroad Administration.

(c) Railroad yards and other locations where lighting exists on July 1, 2014, are deemed compliant with subdivision 1, paragraphs (b) and (c).

**EFFECTIVE DATE.** This section is effective November 1, 2016.

Sec. 16. **[219.995] MADE IN MINNESOTA SOLAR INSTALLATIONS.**

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

(b) "Made in Minnesota" has the meaning given in section 216C.411, paragraph (a).

(c) "Solar photovoltaic module" has the meaning given in section 116C.7791, subdivision 1, paragraph (e).

Subd. 2. **Made in Minnesota solar energy system requirement.** Notwithstanding any other law to the contrary, if a railroad common carrier engages in any project in Minnesota for the construction, improvement, maintenance, or repair of any building, railroad, railroad yard, railroad facility, or land owned or controlled by the

railroad common carrier and the construction, improvement, maintenance, or repair involves installation of one or more solar photovoltaic modules, the railroad common carrier must ensure that the solar photovoltaic modules purchased and installed are "Made in Minnesota" as defined in subdivision 1, paragraph (b).

Subd. 3. **Application.** Subdivision 2 does not apply if:

(1) as a condition of the receipt of federal financial assistance for a specific project, the railroad common carrier is required to use a procurement method that might result in the award of a contract to a manufacturer that does not meet the "Made in Minnesota" definition in subdivision 1, paragraph (b);

(2) no solar photovoltaic modules are available that meet the "Made in Minnesota" definition and fulfill the function required by the project; or

(3) a railroad common carrier's compliance with the "Made in Minnesota" solar energy system requirement would result in noncompliance with any applicable federal statute or regulation.

Sec. 17. **[299A.017] STATE SAFETY OVERSIGHT.**

Subdivision 1. **Office created.** The commissioner of public safety shall establish an Office of State Safety Oversight in the Department of Public Safety for safety oversight of rail fixed guideway public transportation systems within the state. The commissioner shall designate a director of the office.

Subd. 2. **Authority.** The director shall implement and has regulatory authority to enforce the requirements for the state set forth in United States Code, title 49, sections 5329 and 5330, federal regulations adopted pursuant to those sections, and successor or supplemental requirements.

Sec. 18. Minnesota Statutes 2012, section 473.408, is amended by adding a subdivision to read:

Subd. 11. **Transit service on election day.** (a) The council shall provide regular route transit, as defined in section 473.385, subdivision 1, paragraph (b), free of charge on a day a state general election is held.

(b) The requirements under this subdivision apply to operators of regular route transit (1) receiving financial assistance under section 473.388, or (2) operating under section 473.405, subdivision 12.

**EFFECTIVE DATE.** This section is effective July 1, 2014, and expires November 5, 2014.

Sec. 19. **[473.41] TRANSIT SHELTERS AND STOPS.**

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

(b) "Transit authority" means:

(1) a statutory or home rule charter city, with respect to rights-of-way at bus stop and train stop locations, transit shelters, and transit passenger seating facilities owned by the city or established pursuant to a vendor contract with the city;

(2) the Metropolitan Council, with respect to transit shelters and transit passenger seating facilities owned by the council or established pursuant to a vendor contract with the council; or

(3) a replacement service provider under section 473.388, with respect to rights-of-way at bus stop and train stop locations, transit shelters, and transit passenger seating facilities owned by the provider or established pursuant to a vendor contract with the provider.

(c) "Transit shelter" means a wholly or partially enclosed structure provided for public use as a waiting area in conjunction with light rail transit, bus rapid transit, or regular route transit.

Subd. 2. **Design.** (a) A transit authority shall establish design specifications for establishment and replacement of its transit shelters, which must include:

(1) engineering standards, as appropriate;

(2) maximization of protection from the wind, snow, and other elements, including but not limited to entrances that are equivalently sized to regular doorways;

(3) to the extent feasible, inclusion of warming capability at each shelter in which there is a proportionally high number of transit service passenger boardings; and

(4) full accessibility for the elderly and persons with disabilities.

(b) The council shall consult with the Transportation Accessibility Advisory Committee.

Subd. 3. **Maintenance.** A transit authority shall ensure transit shelters are maintained in good working order and are accessible to all users of the transit system. This requirement includes but is not limited to:

(1) keeping transit shelters reasonably clean and free from graffiti; and

(2) removing snow and ice in a manner that provides accessibility for the elderly and persons with disabilities to be able to enter and exit transit shelters, and board and exit trains at each stop.

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

Sec. 20. **WATERCRAFT DECONTAMINATION SITES; REST AREAS.**

Where feasible with existing resources, the commissioners of natural resources and transportation shall cooperate in an effort to use rest areas as sites for watercraft decontamination and other activities to prevent the spread of aquatic invasive species.

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

Sec. 21. **WOMAN VETERAN LICENSE PLATES; DESIGN.**

The commissioner of veterans affairs, in consultation with the commissioner of public safety, a representative of the Minnesota Women Veterans Initiative Working Group, and any interested Minnesota veterans service organization, shall design the "WOMAN VETERAN" special plates established in Minnesota Statutes, section 168.123, subdivision 2, subject to the approval of the commissioner of public safety.

Sec. 22. **HIGHWAY 14 TURNBACK.**

Notwithstanding Minnesota Statutes, sections 161.081, subdivision 3, and 161.16, or any other law to the contrary, the commissioner of transportation may:

(1) by temporary order, take over the road described as "Old Highway 14" in the settlement agreement and release executed January 7, 2014, between the state and Waseca and Steele Counties;

(2) expend \$35,000,000 or the amount necessary to complete the work required under the settlement agreement; and

(3) upon completion of the work described in the settlement agreement, release "Old Highway 14" back to Steele and Waseca Counties.

Upon completion of the work described in the settlement agreement between the state and Waseca and Steele Counties, the counties shall accept responsibility for the road described in the agreement as "Old Highway 14."

Sec. 23. **COMMUNITY DESTINATION SIGN PILOT PROGRAM.**

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

(b) "City" means the city of Two Harbors.

(c) "General retail services" means a business that sells goods or services at retail and directly to an end-use consumer. General retail services includes but is not limited to:

(1) personal services;

(2) repair services;

(3) hardware stores;

(4) lumber or building supply stores; and

(5) automotive parts sellers.

Subd. 2. **Pilot program established.** (a) In consultation with the city of Two Harbors, the commissioner of transportation shall establish a community destination sign pilot program for wayfinding within the city to destinations or attractions of interest to the traveling public.

(b) For purposes of Minnesota Statutes, chapter 173, signs under the pilot program are official signs.

Subd. 3. **Signage, design.** (a) The pilot program must include as eligible attractions and destinations:

(1) minor traffic generators; and

(2) general retail services, specified by business name, that are identified in a community wayfinding program established by the city.

(b) The commissioner of transportation, in coordination with the city, may establish sign design specifications for signs under the pilot program. Design specifications must allow for placement of:

(1) a city name and city logo or symbol; and

(2) up to five attractions or destinations on a community destination sign assembly.

Subd. 4. **Program costs.** The city shall pay costs of design, construction, erection, and maintenance of the signs and sign assemblies under the pilot program. The commissioner shall not impose fees for the pilot program.

Subd. 5. **Expiration.** The pilot program under this section expires January 1, 2022.

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

Delete the title and insert:

"A bill for an act relating to transportation; making supplemental appropriations for transportation purposes; adjusting appropriations; establishing certain safety oversight authority; creating accounts; requiring reports; establishing provisions governing transportation finance and policy, including provisions relating to railroad and pipeline safety preparedness, special overdimension permit expiration, special license plates, railroad yard lighting, transit shelters, trunk highway turnbacks, and community destination signs; amending Minnesota Statutes 2012, sections 115E.01, by adding subdivisions; 115E.08, by adding subdivisions; 165.15, subdivision 2; 168.123, subdivision 1; 169.826, by adding a subdivision; 169.8261, by adding a subdivision; 169.86, subdivision 5; 169.863, by adding a subdivision; 169.865, subdivisions 1, 2, by adding a subdivision; 169.866, subdivision 3, by adding a subdivision; 174.24, by adding a subdivision; 219.015, subdivisions 1, 2; 473.408, by adding a subdivision; Minnesota Statutes 2013 Supplement, sections 168.123, subdivision 2; 174.42, subdivision 2; Laws 2010, chapter 189, sections 15, subdivision 12; 26, subdivision 4; Laws 2012, chapter 287, article 2, sections 1; 3; Laws 2012, First Special Session chapter 1, article 1, section 28; Laws 2013, chapter 117, article 1, sections 3, subdivisions 2, 3; 4; proposing coding for new law in Minnesota Statutes, chapters 115E; 219; 299A; 473."

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

The report was adopted.

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

H. F. No. 3264, A bill for an act relating to state government; appropriating money to the Minnesota Racing Commission.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **RACING COMMISSION.**

\$100,000 in fiscal year 2014 and \$85,000 in fiscal year 2015 are appropriated from the racing and card playing regulation account in the special revenue fund to the Minnesota Racing Commission. These appropriations are onetime and are available either year of the biennium."

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

The report was adopted.

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

H. F. No. 3273, A bill for an act relating to crime victims; appropriating money for sexual violence community prevention networks.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
PUBLIC SAFETY AND CORRECTIONS APPROPRIATIONS

Section 1. **SUMMARY OF APPROPRIATIONS.**

The amounts shown in this section summarize direct appropriations, by fund, made in this article.

	<u>2014</u>	<u>2015</u>	<u>Total</u>
<u>General</u>	\$-0-	\$36,475,000	\$36,496,000
<u>State Government Special Revenue</u>	6,359,000	6,865,000	13,224,000
<b><u>Total</u></b>	<b><u>\$6,359,000</u></b>	<b><u>\$43,361,000</u></b>	<b><u>\$49,720,000</u></b>

Sec. 2. **APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are added to the appropriations in Laws 2013, chapter 86, article 1, to the agencies and for the purposes specified in this article. The appropriations are from the general fund, or another named fund, and are available for the fiscal years indicated for each purpose. The figures "2014" and "2015" used in this article mean that the addition to the appropriation listed under them is available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. Supplemental appropriations for the fiscal year ending June 30, 2014, are effective the day following final enactment.

**APPROPRIATIONS**  
**Available for the Year**  
**Ending June 30**  
**2014**                      **2015**

Sec. 3. **DEPARTMENT OF PUBLIC SAFETY**

Subdivision 1. **Total Appropriation**    **\$6,359,000**                      **\$13,176,000**

Appropriations by Fund

<u>General</u>	<u>-0-</u>	<u>6,311,000</u>
<u>State Government Special Revenue</u>	<u>6,359,000</u>	<u>6,865,000</u>

The amounts that may be spent for each purpose are specified in the following subdivisions.

**Subd. 2. Emergency Communication Networks**5,059,0006,865,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

**Subd. 3. Office of Justice Programs**-0-650,000

(a) \$300,000 in 2015 is for grants to fund emergency shelter, housing, or advocacy services targeted to culturally specific programming for newer immigrant populations. The funds must be awarded to a program or programs that demonstrate leadership in the community to be served. This appropriation is added to the base.

(b) \$300,000 in 2015 is for grants to sexual assault advocacy programs for sexual violence community prevention networks. For purposes of this section, "sexual assault" means a violation of Minnesota Statutes, sections 609.342 to 609.3453. This appropriation is added to the base.

(c) \$50,000 in 2015 is for training state and local community safety personnel in the use of crisis de-escalation techniques for use with Minnesota veterans following their return from active military service in a combat zone. The commissioner must consult with the director of the Minnesota Peace Officer Standards and Training Board, and may consult with any other state or local governmental official or nongovernmental authority the commissioner determines to be relevant, to include postsecondary institutions, when selecting a service provider for this training. Among any other criteria the commissioner may establish for the selection, the training provider must have a demonstrated understanding of the transitions and challenges that veterans may experience during their re-entry into society following combat service. The commissioner must ensure that training opportunities provided are reasonably distributed statewide. This is a onetime appropriation.

**Subd. 4. Emergency Management**05,661,000

\$5,661,000 in 2015 is for the disaster assistance contingency account in Minnesota Statutes, section 12.221. These funds are available until spent.

**Subd. 5. Fire Safety Account**1,300,0000

\$1,300,000 in 2014 is appropriated from the fire safety account in the special revenue fund to the commissioner of public safety for activities and programs under Minnesota Statutes, section 299F.012. This is a onetime appropriation. By January 15, 2015, the commissioner shall report to the chairs and ranking minority members of the legislative committees with jurisdiction over the fire safety account regarding the balances and uses of the account.

Sec. 4. **CORRECTIONS**Subdivision 1. **Total Appropriation****\$-0-****\$30,164,000**

The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. **Correctional Institutions****-0-****27,321,000**

This includes a onetime appropriation of \$11,089,000.

Subd. 3. **Community Services****-0-****1,900,000**Subd. 4. **Operations Support****-0-****900,000**

Sec. 5. Laws 2009, chapter 83, article 1, section 10, subdivision 7, is amended to read:

Subd. 7. **Emergency Communication Networks**

66,470,000

70,233,000

This appropriation is from the state government special revenue fund for 911 emergency telecommunications services.

(a) **Public Safety Answering Points.** \$13,664,000 each year is to be distributed as provided in Minnesota Statutes, section 403.113, subdivision 2.

(b) **Medical Resource Communication Centers.** \$683,000 each year is for grants to the Minnesota Emergency Medical Services Regulatory Board for the Metro East and Metro West Medical Resource Communication Centers that were in operation before January 1, 2000.

(c) **ARMER Debt Service.** \$17,557,000 the first year and \$23,261,000 the second year are to the commissioner of finance to pay debt service on revenue bonds issued under Minnesota Statutes, section 403.275.

Any portion of this appropriation not needed to pay debt service in a fiscal year may be used by the commissioner of public safety to pay cash for any of the capital improvements for which bond proceeds were appropriated by Laws 2005, chapter 136, article 1, section 9, subdivision 8, or Laws 2007, chapter 54, article 1, section 10, subdivision 8.

(d) **Metropolitan Council Debt Service.** \$1,410,000 each year is to the commissioner of finance for payment to the Metropolitan Council for debt service on bonds issued under Minnesota Statutes, section 403.27.

(e) **ARMER State Backbone Operating Costs.** \$5,060,000 each year is to the commissioner of transportation for costs of maintaining and operating the statewide radio system backbone.

(f) **ARMER Improvements.** \$1,000,000 each year is for the Statewide Radio Board for costs of design, construction, maintenance of, and improvements to those elements of the statewide public safety radio and communication system that support mutual aid communications and emergency medical services or provide enhancement of public safety communication interoperability.

(g) **Next Generation 911.** \$3,431,000 the first year and \$6,490,000 the second year are to replace the current system with the Next Generation Internet Protocol (IP) based network. This appropriation is available until expended. The base level of funding for fiscal year 2012 shall be \$2,965,000.

(h) **Grants to Local Government.** \$5,000,000 the first year is for grants to local units of government to assist with the transition to the ARMER system. This appropriation is available until June 30, 2012.

Sec. 6. Laws 2013, chapter 86, article 1, section 13, is amended to read:

Sec. 13. **PEACE OFFICER STANDARDS AND TRAINING  
(POST) BOARD**

**\$3,870,000**

**\$3,870,000**

(a) **Excess Amounts Transferred**

This appropriation is from the peace officer training account in the special revenue fund. Any new receipts credited to that account in the first year in excess of \$3,870,000 must be transferred and credited to the general fund. Any new receipts credited to that account in the second year in excess of \$3,870,000 must be transferred and credited to the general fund.

(b) **Peace Officer Training Reimbursements**

\$2,734,000 each year is for reimbursements to local governments for peace officer training costs.

(c) **Training; Sexually Exploited and Trafficked Youth**

Of the appropriation in paragraph (b), \$100,000 the first year is for reimbursements to local governments for peace officer training costs on sexually exploited and trafficked youth, including effectively identifying sex trafficked victims and traffickers, investigation techniques, and assisting sexually exploited youth. These funds are available until June 30, 2016.

Reimbursement shall be provided on a flat fee basis of \$100 per diem per officer.

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

ARTICLE 2  
PUBLIC SAFETY AND CORRECTIONS

Section 1. Minnesota Statutes 2012, section 13.84, subdivision 5, is amended to read:

Subd. 5. **Disclosure.** Private or confidential court services data shall not be disclosed except:

(a) pursuant to section 13.05;

(b) pursuant to a statute specifically authorizing disclosure of court services data;

(c) with the written permission of the source of confidential data;

(d) to the court services department, parole or probation authority or state or local correctional agency or facility having statutorily granted supervision over the individual subject of the data;

(e) pursuant to subdivision 6; ~~or~~

(f) pursuant to a valid court order; or

(g) pursuant to section 611A.06, subdivision 6.

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

Sec. 2. Minnesota Statutes 2012, section 13.84, subdivision 6, is amended to read:

Subd. 6. **Public benefit data.** (a) The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to:

(1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and

(2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution.

(b) A parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency may release to a law enforcement agency the following data on defendants, parolees, or probationers: current address, dates of entrance to and departure from agency programs, and dates and times of any absences, both authorized and unauthorized, from a correctional program.

(c) The responsible authority or its designee of a juvenile correctional agency may release private or confidential court services data to a victim of a delinquent act to the extent the data are necessary to enable the victim to assert the victim's right to request notice of release under section 611A.06. The data that may be released include only the name, home address, and placement site of a juvenile who has been placed in a juvenile correctional facility as a result of a delinquent act.

(d) Upon the victim's written or electronic request and, if the victim and offender have been household or family members as defined in section 518B.01, subdivision 1, paragraph (b), the commissioner of corrections or the commissioner's designee may disclose to the victim of an offender convicted of a crime pursuant to section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon or after release from a Department of Corrections facility, unless:

(1) the offender is not supervised by the commissioner of corrections or the commissioner's designee at the time of the victim's request;

(2) the commissioner of corrections or the commissioner's designee does not have the city or zip code; or

(3) the commissioner of corrections or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.

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

Sec. 3. Minnesota Statutes 2012, section 243.167, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2 ~~3~~; 609.498, subdivision 1; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

Sec. 4. Minnesota Statutes 2012, section 299F.012, subdivision 1, is amended to read:

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

Sec. 5. Minnesota Statutes 2012, section 299F.012, subdivision 2, is amended to read:

Subd. 2. **Fire Service Advisory Committee.** (a) The Fire Service Advisory Committee shall provide recommendations to the commissioner of public safety on fire service-related issues and shall consist of representatives of each of the following organizations: two appointed by the president of the Minnesota State Fire Chiefs Association, two appointed by the president of the Minnesota State Fire Department Association, two appointed by the president of the Minnesota Professional Fire Fighters, two appointed by the president of the League of Minnesota Cities, one appointed by the president of the Minnesota Association of Townships, one appointed by the president of the Insurance Federation of Minnesota, one appointed jointly by the presidents of the Minnesota Chapter of the International Association of Arson Investigators and the Fire Marshals Association of Minnesota, and the commissioner of public safety or the commissioner's designee. The commissioner of public safety must ensure that at least three of the members of the advisory committee work and reside in counties outside of the seven-county metropolitan area. The committee shall provide funding recommendations to the commissioner of public safety from the fire safety fund for the following purposes:

(1) for the Minnesota Board of Firefighter Training and Education;

(2) for programs and staffing for the State Fire Marshal Division; and

(3) for fire-related regional response team programs and any other fire service programs that have the potential for statewide impact.

(b) The committee under paragraph (a) does not expire.

Sec. 6. Minnesota Statutes 2012, section 609.135, subdivision 2, is amended to read:

Subd. 2. **Stay of sentence maximum periods.** (a) If the conviction is for a felony other than section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169A.20 or 609.21, subdivision 1a, paragraph (d), or for a felony described in section 609.21, subdivision 1a, paragraph (b) or (c), the stay shall be for not more than six years. The court shall provide for unsupervised probation for the last year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last year.

(c) If the conviction is for a gross misdemeanor violation of section 609.3451, subdivision 1, the stay shall be for not more than six years.

~~(c)~~ (d) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

~~(d)~~ (e) If the conviction is for any misdemeanor under section 169A.20; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.2242 or 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

~~(e)~~ (f) If the conviction is for a misdemeanor not specified in paragraph ~~(d)~~ (e), the stay shall be for not more than one year.

~~(f)~~ (g) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph ~~(g)~~ (h), or the defendant has already been discharged.

~~(g)~~ (h) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(f)~~ (g), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

- (1) the defendant has not paid court-ordered restitution in accordance with the payment schedule or structure; and
- (2) the defendant is likely to not pay the restitution the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution that the defendant owes.

Nothing in this subdivision limits the court's ability to refer the case to collections under section 609.104.

~~(h)~~ (i) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to ~~(f)~~ (g), a court may extend a defendant's term of probation for up to three years if it finds, at a hearing conducted under subdivision 1c, that:

- (1) the defendant has failed to complete court-ordered treatment successfully; and
- (2) the defendant is likely not to complete court-ordered treatment before the term of probation expires.

**EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2012, section 609.3451, subdivision 3, is amended to read:

Subd. 3. **Felony.** A person is guilty of a felony and may be sentenced to imprisonment for not more than ~~five~~ ten years or to payment of a fine of not more than \$10,000, or both, if the person violates ~~subdivision 1, clause (2), this section within ten years after having been previously convicted of or adjudicated delinquent for violating subdivision 1, clause (2) this section; sections 609.342 to 609.345; or 609.3453; section 617.23, subdivision 2, clause (1); 617.247; or a statute from another state in conformity with subdivision 1, clause (2), or section 617.23, subdivision 2, clause (1) therewith.~~

**EFFECTIVE DATE.** This section is effective August 1, 2014, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2012, section 611A.06, is amended by adding a subdivision to read:

Subd. 6. **Offender location.** (a) Upon the victim's written or electronic request and if the victim and offender have been household or family members as defined in section 518B.01, subdivision 2, paragraph (b), the commissioner of corrections or the commissioner's designee shall disclose to the victim of an offender convicted of a crime pursuant to section 609.02, subdivision 16, notification of the city and five-digit zip code of the offender's residency upon release from a Department of Corrections facility, unless:

(1) the offender is not supervised by the commissioner of corrections or the commissioner's designee at the time of the victim's request;

(2) the commissioner of corrections or the commissioner's designee does not have the city or zip code; or

(3) the commissioner of corrections or the commissioner's designee reasonably believes that disclosure of the city or zip code of the offender's residency creates a risk to the victim, offender, or public safety.

(b) All identifying information regarding the victim including, but not limited to, the notification provided by the commissioner of corrections or the commissioner's designee is classified as private data on individuals as defined in section 13.02, subdivision 12, and is accessible only to the victim.

**EFFECTIVE DATE.** This section is effective January 15, 2015.

Sec. 9. **REVISOR'S INSTRUCTION.**

In the next edition of Minnesota Statutes, the revisor of statutes shall change the headnote of section 609.3451, subdivision 2, from "Penalty" to "Gross misdemeanor."

### ARTICLE 3

#### DISASTER ASSISTANCE FOR PUBLIC ENTITIES; FEDERAL AID GRANTED

Section 1. Minnesota Statutes 2012, section 12.03, is amended by adding a subdivision to read:

Subd. 5d. **Local government.** "Local government" has the meaning given in Code of Federal Regulations, title 44, section 206.2 (2012).

Sec. 2. Minnesota Statutes 2012, section 12.03, is amended by adding a subdivision to read:

Subd. 6b. **Nonfederal share.** "Nonfederal share" has the meaning given in section 12A.02, subdivision 7.

Sec. 3. Minnesota Statutes 2012, section 12.221, subdivision 4, is amended to read:

Subd. 4. **Subgrant agreements; state share.** (a) The state director, serving as the governor's authorized representative, may enter into subgrant agreements with eligible applicants to provide federal and state financial assistance made available as a result of a disaster declaration.

(b) When state funds are used to provide the FEMA Public Assistance Program cost-share requirement for a local government, the state director must award a local government 100 percent of the nonfederal share of the local government's FEMA Public Assistance Program costs.

Sec. 4. Minnesota Statutes 2012, section 12.221, is amended by adding a subdivision to read:

Subd. 6. **Disaster assistance contingency account; appropriation.** (a) A disaster assistance contingency account is created in the general fund in the state treasury. Money in the disaster assistance contingency account is appropriated to the commissioner of public safety to provide:

(1) cost-share for federal assistance under section 12A.15, subdivision 1; and

(2) state public disaster assistance to eligible applicants under chapter 12B.

(b) For appropriations under paragraph (a), clause (1), the amount appropriated is 100 percent of any nonfederal share for state agencies and local governments. Money appropriated under paragraph (a), clause (1), may be used to pay all or a portion of the nonfederal share for publicly owned capital improvement projects.

(c) For appropriations under paragraph (a), clause (2), the amount appropriated is the amount required to pay eligible claims under chapter 12B, as certified by the commissioner of public safety.

(d) If the amount appropriated is insufficient to cover costs for paragraph (a), clauses (1) and (2), the commissioner of public safety shall pay up to an additional \$4,000,000 from the general fund appropriation provided under this paragraph. No payment shall be made under this paragraph until:

(1) the commissioner of public safety has given the commissioner of management and budget an estimate of the additional funds required;

(2) the commissioner of management and budget has reported the estimate to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee; and

(3) the commissioner of management and budget has approved the payments.

(e) Amounts approved by the commissioner of management and budget, up to \$4,000,000 per fiscal year, are appropriated from the general fund to the commissioner of public safety. By January 15 of each year, the commissioner of management and budget shall submit a report to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee detailing state disaster assistance appropriations and expenditures under this subdivision during the previous calendar year.

(f) The governor's budget proposal submitted to the legislature under section 16A.11 must include recommended appropriations to the disaster assistance contingency account. The governor's appropriation recommendations must be informed by the commissioner of public safety's estimate of the amount of money that will be necessary to:

(1) provide 100 percent of the nonfederal share for state agencies and local governments that will receive federal financial assistance from FEMA during the next biennium; and

(2) fully pay all eligible claims under chapter 12B.

(g) Notwithstanding section 16A.28:

(1) funds appropriated or transferred to the disaster assistance contingency account do not lapse but remain in the account until appropriated; and

(2) funds appropriated from the disaster assistance contingency account do not lapse and are available until expended.

Sec. 5. Minnesota Statutes 2012, section 12A.02, subdivision 2, is amended to read:

Subd. 2. **Appropriation.** "Appropriation" means an appropriation provided in law specifically to implement this chapter, including but not limited to a statutory appropriation to provide the required cost-share for federal disaster assistance under section 12.221.

Sec. 6. Minnesota Statutes 2012, section 12A.02, is amended by adding a subdivision to read:

Subd. 6. **Local government.** "Local government" has the meaning given in section 12.03, subdivision 5d.

Sec. 7. Minnesota Statutes 2012, section 12A.02, is amended by adding a subdivision to read:

Subd. 7. **Nonfederal share.** "Nonfederal share" means that portion of total FEMA Public Assistance Program costs that is no more than 25 percent and is not eligible for FEMA reimbursement.

Sec. 8. Minnesota Statutes 2012, section 12A.03, subdivision 3, is amended to read:

Subd. 3. **Nonduplication of federal assistance.** State assistance may not duplicate or supplement eligible FEMA Public Assistance Program assistance. For eligible Public Assistance Program costs, any state ~~matching cost-share~~ money made available for that assistance must be disbursed by the Department of Public Safety to a state agency, local ~~political subdivision, Indian tribe~~ government, or other applicant. State assistance distributed by a state agency, other than the Department of Public Safety, to a ~~political subdivision~~ local government or other applicant for disaster costs that are eligible for FEMA Public Assistance Program assistance constitutes an advance of funds. Such advances must be repaid to the applicable state agency when the applicant has received the FEMA Public Assistance Program assistance, and whatever state ~~matching cost-share~~ money may be made available for that assistance, from the Department of Public Safety.

Sec. 9. Minnesota Statutes 2012, section 12A.15, subdivision 1, is amended to read:

Subdivision 1. **State match cost-share for federal assistance.** State appropriations may be used ~~for payment of the state match for federal disaster assistance to pay 100 percent of the nonfederal share for state agencies. If authorized in law, state appropriations may be used to pay all or a portion of the local share of the match for federal funds for political subdivisions and local governments~~ under section 12.221. An appropriation from the bond proceeds fund may be used to fund federal match obligations as cost-share for federal disaster assistance for publicly owned capital improvement projects resulting from the receipt of federal disaster assistance.

Sec. 10. Minnesota Statutes 2012, section 16A.28, is amended by adding a subdivision to read:

Subd. 9. **Disaster assistance.** (a) The commissioner of management and budget must transfer the unexpended and unencumbered balance of a general fund disaster assistance appropriation that expires as provided under this section or as otherwise provided by law to the disaster assistance contingency account in section 12.221, subdivision 6.

(b) Expired disaster assistance transferred to the disaster assistance contingency account is available for appropriation as provided under section 12.221, subdivision 6, regardless of the specific disaster event or purpose for which the expired disaster assistance was originally appropriated.

(c) The commissioner must report each transfer to the chairs of the house of representatives Ways and Means Committee and the senate Finance Committee.

(d) For the purposes of this subdivision, "disaster assistance appropriation" means an appropriation from the general fund to provide cost-share required for federal disaster assistance or to provide other state disaster assistance under chapter 12A or 12B.

Sec. 11. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 4

DISASTER ASSISTANCE FOR PUBLIC ENTITIES; ABSENT FEDERAL AID

Section 1. **[12B.10] PUBLIC DISASTER ASSISTANCE; ABSENT FEDERAL AID.**

This chapter establishes a state public assistance program to provide cost-share assistance to local governments that sustain significant damage on a per capita basis but are not eligible for federal disaster assistance or corresponding state assistance under chapter 12A.

Sec. 2. **[12B.15] DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to this chapter.

Subd. 2. **Applicant.** "Applicant" means a local government that applies for state disaster assistance under this chapter.

Subd. 3. **Commissioner.** "Commissioner" means the commissioner of public safety.

Subd. 4. **Director.** "Director" means the director of the Division of Homeland Security and Emergency Management in the Department of Public Safety.

Subd. 5. **Disaster.** "Disaster" means any catastrophe, including but not limited to a tornado, storm, high water, wind-driven water, tidal wave, earthquake, volcanic eruption, landslide, mudslide, snowstorm, or drought or, regardless of cause, any fire, flood, or explosion.

Subd. 6. **FEMA.** "FEMA" means the Federal Emergency Management Agency.

Subd. 7. **Incident period.** "Incident period" means the time interval of a disaster as delineated by specific start and end dates.

Subd. 8. **Local government.** "Local government" has the meaning given in section 12A.03, subdivision 5d.

Sec. 3. **[12B.25] ELIGIBILITY CRITERIA; CONSIDERATIONS.**

Subdivision 1. **Payment required; eligibility criteria.** The director, serving as the governor's authorized representative, may enter into grant agreements with eligible applicants to provide state financial assistance made available as a result of a disaster that satisfies all of the following criteria:

(1) the state and applicable local government declares a disaster or emergency during the incident period;

(2) damages suffered and eligible costs incurred are the direct result of the disaster;

(3) federal disaster assistance is not available to the applicant because the governor did not request a presidential declaration of major disaster, the president denied the governor's request, or the applicant is not eligible for federal disaster assistance because the state or county did not meet the per capita impact indicator under FEMA's Public Assistance Program;

(4) the applicant incurred eligible damages that, on a per capita basis, equal or exceed 50 percent of the countywide per capita impact indicator under FEMA's Public Assistance Program;

(5) the applicant assumes responsibility for 25 percent of the applicant's total eligible costs; and

(6) the applicant satisfies all requirements in this chapter.

Subd. 2. **Considerations; other resources available.** When evaluating applicant eligibility under subdivision 1, the director must consider:

(1) the availability of other resources from federal, state, local, private, or other sources; and

(2) the availability or existence of insurance.

Sec. 4. **[12B.30] ELIGIBLE COSTS.**

Subdivision 1. **Eligible costs.** Costs eligible for payment under this chapter are those costs that would be eligible for federal financial assistance under FEMA's Public Assistance Program.

Subd. 2. **Ineligible costs.** Ineligible costs are all costs not included in subdivision 1, including but not limited to:

(1) ordinary operating expenses, including salaries and expenses of employees and public officials that are not directly related to the disaster response;

(2) costs for which payment has been or will be received from any other funding source;

(3) disaster-related costs that should, in the determination of the director, be covered and compensated by insurance; and

(4) projects and claims totaling less than \$10,000.

Sec. 5. **[12B.35] APPLICANT'S SHARE.**

An applicant's share of eligible costs incurred must not be less than 25 percent. The substantiated value of donated materials, equipment, services, and labor may be used as all or part of the applicant's share of eligible costs, subject to the following:

(1) all items and sources of donation must be indicated on the application and any supporting documentation submitted to the commissioner;

(2) the rate for calculating the value of donated, nonprofessional labor is the prevailing federal minimum wage;

(3) the value of donated equipment may not exceed the highway equipment rates approved by the commissioner of transportation; and

(4) the value of donated materials and professional services must conform to market rates and be established by invoice.

Sec. 6. **[12B.40] APPLICATION PROCESS.**

(a) The director must develop application materials and may update the materials as needed. Application materials must include instructions and requirements for assistance under this chapter.

(b) An applicant has 30 days from the end of the incident period or the president's official denial of the governor's request for a declaration of a major disaster to provide the director with written notice of intent to apply. The director may deny an application due to a late notice of intent to apply.

(c) Within 60 days after the end of the incident period or the president's official denial of the governor's request for a declaration of a major disaster, the applicant must submit a complete application to the director. A complete application includes the following:

(1) the cause, location of damage, and incident period;

(2) documentation of a local, tribal, county, or state disaster or emergency declaration in response to the disaster;

(3) a description of damages, an initial damage assessment, and the amount of eligible costs incurred by the applicant;

(4) a statement or evidence that the applicant has the ability to pay for at least 25 percent of total eligible costs incurred from the disaster; and

(5) a statement or evidence that the local government has incurred damages equal to or exceeding 50 percent of the federal countywide threshold in effect during the incident period.

(d) The director must review the application and supporting documentation for completeness and may return the application with a request for more detailed information. The director may consult with local public officials to ensure the application reflects the extent and magnitude of the damage and to reconcile any differences. The application is not complete until the director receives all requested information.

(e) If the director returns an application with a request for more detailed information or for correction of deficiencies, the applicant must submit all required information within 30 days of the applicant's receipt of the director's request. The applicant's failure to provide the requested information in a timely manner without a reasonable explanation may be cause for denial of the application.

(f) The director has no more than 60 days from the receipt of a complete application to approve or deny the application, or the application is deemed approved. If the director denies an application, the director must send a denial letter. If the director approves an application or the application is automatically deemed approved after 60 days, the director must notify the applicant of the steps necessary to obtain reimbursement of eligible costs, including submission of invoices or other documentation substantiating the costs submitted for reimbursement.

Sec. 7. **[12B.45] CLAIMS PROCESS.**

Subdivision 1. **Claims; appeal.** (a) An applicant must submit to the director completed claims for payment of actual and eligible costs on forms provided by the director. All eligible costs claimed for payment must be documented and consistent with the eligibility provisions of this chapter.

(b) If the director denies an applicant's claim for payment, the applicant has 30 days from receipt of the director's determination to appeal in writing to the commissioner. The appeal must include the applicant's rationale for reversing the director's determination. The commissioner has 30 days from receipt of the appeal to uphold or modify the director's determination and formally respond to the applicant. If, within 30 days of receiving the commissioner's decision, the applicant notifies the commissioner that the applicant intends to contest the commissioner's decision, the Office of Administrative Hearings shall conduct a hearing under the contested case provisions of chapter 14.

Subd. 2. **Final inspection.** Upon completion of all work by an applicant, the director may inspect all work claimed by the applicant. The applicant must provide the director with access to records pertaining to all claimed work and must permit the director to review all records relating to the work.

Subd. 3. **Closeout.** The director must close out an applicant's disaster assistance application after all of the following occur:

(1) eligible work is complete;

(2) the applicant receives the final amount due or pays any amount owed under section 12B.50; and

(3) any extant or scheduled audits are complete.

Subd. 4. **Audit.** (a) An applicant must account for all funds received under this chapter in conformance with generally accepted accounting principles and practices. The applicant must maintain detailed records of expenditures to show that grants received under this chapter were used for the purpose for which the payment was made. The applicant must maintain records for five years and make the records available for inspection and audit by the director or the legislative auditor. The applicant must keep all financial records for five years after the final payment, including but not limited to all invoices and canceled checks or bank statements that support all eligible costs claimed by the applicant.

(b) The director or legislative auditor may audit all applicant records pertaining to an application or payment under this chapter.

Subd. 5. **Reporting payments.** The director must post on the division Web site a list of the recipients and amounts of the payments made under this chapter.

Sec. 8. **[12B.50] FUNDING FROM OTHER SOURCES; REPAYMENT REQUIRED.**

If an applicant subsequently recovers eligible costs from another source after receiving payment under this chapter, the applicant must pay the commissioner an amount equal to the corresponding state funds received within 30 days. The commissioner must deposit any repayment in the disaster response contingency account in section 12.221, subdivision 6.

Sec. 9. **EFFECTIVE DATE.**

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public safety; making supplemental appropriations for public safety and corrections; modifying certain statutory provisions related to victims of domestic violence and sentencing for criminal sexual conduct in the fifth degree; continuing the Fire Service Advisory Committee; providing for disaster assistance for public entities when federal aid is granted and when federal aid is absent; amending Minnesota Statutes 2012, sections 12.03, by adding subdivisions; 12.221, subdivision 4, by adding a subdivision; 12A.02, subdivision 2, by adding subdivisions; 12A.03, subdivision 3; 12A.15, subdivision 1; 13.84, subdivisions 5, 6; 16A.28, by adding a subdivision; 243.167, subdivision 1; 299F.012, subdivisions 1, 2; 609.135, subdivision 2; 609.3451, subdivision 3; 611A.06, by adding a subdivision; Laws 2009, chapter 83, article 1, section 10, subdivision 7; Laws 2013, chapter 86, article 1, section 13; proposing coding for new law as Minnesota Statutes, chapter 12B."

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

The report was adopted.

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

S. F. No. 685, A bill for an act relating to civil commitment; requiring simultaneous competency 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:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2012, section 253B.07, subdivision 2a, is amended to read:

Subd. 2a. **Petition following acquittal; referral originating from criminal proceedings.** (a) If criminal charges are pending against a defendant, the court shall order simultaneous competency and civil commitment examinations in accordance with Minnesota Rules of Criminal Procedure, rule 20.04, when the following conditions are met:

(1) the prosecutor or defense counsel doubts the defendant's competency and a motion is made challenging competency, or the court on its initiative raises the issue under rule 20.01; and

(2) the prosecutor and defense counsel agree simultaneous examinations are appropriate.

No additional examination under subdivision 3 is required in a subsequent civil commitment proceeding unless a second examination is requested by defense counsel appointed following the filing of any petition for commitment.

(b) Following an acquittal of a person of a criminal charge under section 611.026, the petition shall be filed by the county attorney of the county in which the acquittal took place and the petition shall be filed with the court in which the acquittal took place, and that court shall be the committing court for purposes of this chapter. When a petition is filed pursuant to subdivision 2 with the court in which acquittal of a criminal charge took place, the court shall assign the judge before whom the acquittal took place to hear the commitment proceedings unless that judge is unavailable.

Sec. 2. Minnesota Statutes 2012, section 253B.07, subdivision 2c, is amended to read:

Subd. 2c. **Right to counsel.** A patient has the right to be represented by counsel at any proceeding under this chapter. The court shall appoint a qualified attorney to represent the proposed patient if neither the proposed patient nor others provide counsel. The attorney shall be appointed at the time a petition for commitment is filed or when simultaneous competency and civil commitment examinations are ordered under subdivision 2a, whichever is sooner. In all proceedings under this chapter, the attorney shall:

- (1) consult with the person prior to any hearing;
- (2) be given adequate time and access to records to prepare for all hearings;
- (3) continue to represent the person throughout any proceedings under this chapter unless released as counsel by the court; and
- (4) be a vigorous advocate on behalf of the person."

Correct the title numbers accordingly

With the recommendation that when so amended the bill be placed on the General Register.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 263, 653, 1585, 1981, 2117, 2147, 2213, 2227, 2276, 2319, 2324, 2405, 2445, 2474, 2482, 2525, 2541, 2582, 2605, 2659, 2660, 2719, 2751, 2762, 2912, 2939, 2945, 2947, 2989, 3038 and 3110 were read for the second time.

## SECOND READING OF SENATE BILLS

S. F. No. 685 was read for the second time.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Dean, M., introduced:

H. F. No. 3301, A bill for an act relating to human services; requiring certain transfers to the health care access fund in cases of a positive unrestricted general fund balance; amending Minnesota Statutes 2012, section 16A.152, subdivision 2.

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

Freiberg and Anderson, M., introduced:

H. F. No. 3302, A bill for an act relating to legislative enactments; correcting miscellaneous oversights, inconsistencies, ambiguities, unintended results, and technical errors; amending Minnesota Statutes 2012, section 58A.12.

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

Anzelski introduced:

H. F. No. 3303, A bill for an act relating to taxation; tobacco; modifying the rate on certain cigarettes; repealing annual indexing for cigarettes; amending Minnesota Statutes 2013 Supplement, section 297F.05, subdivision 1; repealing Minnesota Statutes 2013 Supplement, section 297F.05, subdivision 1a.

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

Anderson, M., and Kresha introduced:

H. F. No. 3304, A bill for an act relating to capital investment; appropriating money for the Wadena Veterans Memorial; 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.

Kresha and Anderson, M., introduced:

H. F. No. 3305, A bill for an act relating to taxation; property; reinstating the residential homestead market value credit and repealing the homestead market value exclusion; amending Minnesota Statutes 2012, sections 126C.01, subdivision 3; 273.13, subdivision 34; 273.1384, subdivisions 3, 4, by adding a subdivision; 273.1393; 469.174, subdivision 25; 469.177, subdivision 1; Minnesota Statutes 2013 Supplement, sections 273.032; 273.124, subdivisions 3a, 13b; 276.04, subdivision 2; repealing Minnesota Statutes 2012, section 273.13, subdivision 35; Minnesota Statutes 2013 Supplement, section 469.177, subdivision 1d.

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

Hoppe; Mack; Zellers; Kiel; Kelly; Abeler; Holberg; Dean, M.; Davids; Swedzinski; Anderson, P.; Schomacker; Woodard; Anderson, S.; Sanders; Daudt; Loon; Garofalo; Wills; O'Neill and Pugh introduced:

H. F. No. 3306, A bill for an act relating to health insurance; requiring a report of the number of uninsured enrolling through MNsure.

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

Erickson, S., introduced:

H. F. No. 3307, A bill for an act relating to taxation; authorizing the city of Isle to impose a local sales and use tax.

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

Theis and Howe introduced:

H. F. No. 3308, A bill for an act relating to the city of Waite Park; authorizing a local sales and use tax.

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

Winkler introduced:

H. F. No. 3309, A bill for an act relating to human services; waiving background study fees for prospective adoptive parents; amending Minnesota Statutes 2012, section 260C.601, subdivision 3.

The bill was read for the first time and referred to the Committee on Early Childhood and Youth Development Policy.

Isaacson and Fischer introduced:

H. F. No. 3310, A bill for an act relating to transportation; taxes; providing a sales tax exemption for certain passenger automobiles; amending Minnesota Statutes 2012, section 297B.03.

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

Gunther introduced:

H. F. No. 3311, A bill for an act relating to taxation; property; increasing the limitation on abatements for the city of Jackson.

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

FitzSimmons introduced:

H. F. No. 3312, A bill for an act relating to capital investment; appropriating money for rehabilitation of the historic bridge in Hanover; authorizing the sale and issuance of state bonds.

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

Mullery and Dehn, R., introduced:

H. F. No. 3313, A bill for an act relating to capital investment; appropriating money for remediation and site preparation of the Upper Harbor Terminal 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.

Kelly introduced:

H. F. No. 3314, A bill for an act relating to taxation; authorizing the city of Wabasha to impose a local sales and use tax.

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

Simonson and Murphy, M., introduced:

H. F. No. 3315, A bill for an act relating to capital investment; appropriating money for construction of an amphitheater at the Lake Superior Zoo in Duluth; authorizing the sale and issuance of state bonds.

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

### **MESSAGES FROM THE SENATE**

The following message was received from the Senate:

Mr. Speaker:

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

S. F. No. 1737.

JOANNE M. ZOFF, Secretary of the Senate

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

S. F. No. 1737, A bill for an act relating to state government; requiring continued employer insurance contributions for certain former state employees; proposing coding for new law in Minnesota Statutes, chapter 43A.

The bill was read for the first time.

Rosenthal moved that S. F. No. 1737 and H. F. No. 2147, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

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

Murphy, E., from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Monday, March 31, 2014 and established a prefiling requirement for amendments offered to the following bills:

S. F. No. 1892; H. F. Nos. 2219, 2190, 2188, 3072 and 2835; S. F. No. 2100; and H. F. Nos. 2858 and 2663.

**MOTIONS AND RESOLUTIONS**

Kresha moved that the name of Simon be added as an author on H. F. No. 451. The motion prevailed.

Lesch moved that the name of Hamilton be added as an author on H. F. No. 730. The motion prevailed.

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

Clark moved that the name of Dorholt be added as an author on H. F. No. 1857. The motion prevailed.

Kresha moved that the name of Wills be added as an author on H. F. No. 1937. The motion prevailed.

Murphy, M., moved that the name of Anderson, S., be added as an author on H. F. No. 1948. The motion prevailed.

Rosenthal moved that the name of Hamilton be added as an author on H. F. No. 2141. The motion prevailed.

Yarusso moved that the name of Hamilton be added as an author on H. F. No. 2142. The motion prevailed.

Nelson moved that the name of Mahoney be added as chief author on H. F. No. 2198. The motion prevailed.

Savick moved that the name of Newton be added as an author on H. F. No. 2241. The motion prevailed.

Winkler moved that the names of Radinovich and Petersburg be added as authors on H. F. No. 2281. The motion prevailed.

Schoen moved that the names of Dettmer and Holberg be added as authors on H. F. No. 2307. The motion prevailed.

Benson, J., moved that the name of Simon be added as an author on H. F. No. 2431. The motion prevailed.

O'Driscoll moved that the name of Johnson, B., be added as an author on H. F. No. 2478. The motion prevailed.

Mariani moved that the names of Isaacson, Paymar and Radinovich be added as authors on H. F. No. 2493. The motion prevailed.

Zerwas moved that the name of McDonald be added as an author on H. F. No. 2532. The motion prevailed.

Holberg moved that the names of Dettmer and Garofalo be added as authors on H. F. No. 2795. The motion prevailed.

Beard moved that his name be stricken as an author on H. F. No. 2842. The motion prevailed.

Lenczewski moved that the name of McNamar be added as an author on H. F. No. 2855. The motion prevailed.

Beard moved that his name be stricken as an author on H. F. No. 2881. The motion prevailed.

Davnie moved that the name of Hortman be added as an author on H. F. No. 2911. The motion prevailed.

Beard moved that his name be stricken as an author on H. F. No. 2956. The motion prevailed.

Anderson, P., moved that the name of McNamar be added as an author on H. F. No. 3019. The motion prevailed.

Marquart moved that the name of Kiel be added as an author on H. F. No. 3086. The motion prevailed.

Wagenius moved that the name of Hansen be added as an author on H. F. No. 3158. The motion prevailed.

Persell moved that the name of Newton be added as an author on H. F. No. 3244. The motion prevailed.

Johnson, C., moved that the name of Petersburg be added as an author on H. F. No. 3279. The motion prevailed.

Davids moved that the names of Woodard, Schomacker, Theis, Swedzinski, O'Neill, Howe and Albright be added as authors on H. F. No. 3296. The motion prevailed.

Kahn moved that the name of Slocum be added as an author on H. F. No. 3298. The motion prevailed.

McNamara moved that H. F. No. 3158 be recalled from the Committee on Ways and Means and be re-referred to the Committee on Environment and Natural Resources Policy.

A roll call was requested and properly seconded.

The question was taken on the McNamara motion and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

Erickson, S., moved that H. F. No. 2324, now on the General Register, be re-referred to the Committee on Education Policy.

A roll call was requested and properly seconded.

The question was taken on the Erickson, S., motion and the roll was called. There were 59 yeas and 71 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

#### ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 12:00 noon, Friday, March 28, 2014. 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, Friday, March 28, 2014.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

