

STATE OF MINNESOTA

EIGHTY-EIGHTH SESSION — 2013

 THIRTY-THIRD DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 10, 2013

The House of Representatives convened at 12:00 noon and was called to order by Paul Thissen, Speaker of the House.

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

A quorum was present.

Dill, Mack and Pelowski were excused.

Loeffler was excused until 12:20 p.m.

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

REPORTS OF CHIEF CLERK

S. F. No. 442 and H. F. No. 543, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Liebling moved that S. F. No. 442 be substituted for H. F. No. 543 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1086 and H. F. No. 1181, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dorholt moved that the rules be so far suspended that S. F. No. 1086 be substituted for H. F. No. 1181 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 338, A bill for an act relating to real property; modifying certain eminent domain provisions with respect to electric power utilities; establishing a property rights ombudsman; amending Minnesota Statutes 2012, section 216E.12, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 216E.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

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

H. F. No. 724, A bill for an act relating to public safety; providing that funds received for out-of-state offenders incarcerated in Minnesota are appropriated to the Department of Corrections; modifying certificates of compliance for public contracts; appropriating money for public safety, judiciary, corrections, and human rights; amending Minnesota Statutes 2012, sections 161.20, subdivision 3; 243.51, subdivisions 1, 3; 363A.36, subdivisions 1, 2; repealing Minnesota Statutes 2012, section 243.51, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

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>	<u>\$569,084,000</u>	<u>\$575,745,000</u>	<u>\$1,144,829,000</u>
<u>State Government Special Revenue</u>	<u>59,241,000</u>	<u>63,742,000</u>	<u>122,983,000</u>

<u>Environmental</u>	<u>69,000</u>	<u>69,000</u>	<u>138,000</u>
<u>Special Revenue</u>	<u>14,582,000</u>	<u>14,582,000</u>	<u>29,164,000</u>
<u>Trunk Highway</u>	<u>2,266,000</u>	<u>2,266,000</u>	<u>4,532,000</u>
<u>Total</u>	<u>\$645,242,000</u>	<u>\$656,404,000</u>	<u>\$1,301,646,000</u>

Sec. 2. **PUBLIC SAFETY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this act. 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 act mean that the appropriations listed under them are available for the fiscal year ending June 30, 2014, or June 30, 2015, respectively. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015. Appropriations for the fiscal year ending June 30, 2013, are effective the day following final enactment.

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

Sec. 3. **PUBLIC SAFETY**

Subdivision 1. <u>Total Appropriation</u>	<u>\$156,926,000</u>	<u>\$161,300,000</u>
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Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	<u>84,538,000</u>	<u>84,411,000</u>
<u>Special Revenue</u>	<u>10,812,000</u>	<u>10,812,000</u>
<u>State Government Special Revenue</u>	<u>59,241,000</u>	<u>63,742,000</u>
<u>Environmental</u>	<u>69,000</u>	<u>69,000</u>
<u>Trunk Highway</u>	<u>2,266,000</u>	<u>2,266,000</u>

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

Subd. 2. <u>Emergency Management</u>	<u>3,079,000</u>	<u>3,029,000</u>
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Appropriations by Fund

<u>General</u>	<u>2,406,000</u>	<u>2,356,000</u>
<u>Special Revenue</u>	<u>604,000</u>	<u>604,000</u>
<u>Environmental</u>	<u>69,000</u>	<u>69,000</u>

(a) **Hazmat and Chemical Assessment Teams**

\$604,000 each year is from the fire safety account in the special revenue fund. These amounts must be used to fund the hazardous materials and chemical assessment teams.

(b) School Safety

\$555,000 the first year and \$505,000 the second year from the general fund are to reinstate the school safety center and to provide for school safety.

Subd. 3. Criminal Apprehension47,518,00047,197,000Appropriations by Fund

<u>General</u>	<u>45,245,000</u>	<u>44,924,000</u>
<u>State Government Special Revenue</u>	<u>7,000</u>	<u>7,000</u>
<u>Trunk Highway</u>	<u>2,266,000</u>	<u>2,266,000</u>

(a) DWI Lab Analysis; Trunk Highway Fund

\$1,941,000 each year is from the trunk highway fund for laboratory analysis related to driving-while-impaired cases.

(b) Criminal History System

\$2,980,000 the first year and \$2,580,000 the second year from the general fund are to replace the state criminal history system. This is a onetime appropriation and is available until expended. Of this amount, \$2,980,000 the first year and \$2,580,000 the second year are for a onetime transfer to the Office of Enterprise Technology for start-up costs. The commissioner shall enter a service level agreement with the Office of Enterprise Technology specifying the obligations and responsibilities of each party. Payments shall be made under the rates and mechanism specified in that agreement. Ongoing operating and support costs for this system shall be identified and incorporated into future service level agreements.

The commissioner is authorized to use funds appropriated under this paragraph for the purposes specified in paragraph (c).

(c) Criminal Reporting System

\$1,360,000 the first year and \$1,360,000 the second year from the general fund are to replace the state's crime reporting system. This is a onetime appropriation and is available until expended. Of these amounts, \$1,360,000 the first year and \$1,360,000 the second year are for a onetime transfer to the Office of Enterprise Technology for start-up costs. The commissioner shall enter a service level agreement with the Office of Enterprise Technology specifying the obligations and responsibilities of each party. Payments shall be made under the rates and mechanism specified in that agreement. Ongoing operating and support costs for this system shall be identified and incorporated into future service level agreements.

The commissioner is authorized to use funds appropriated under this paragraph for the purposes specified in paragraph (b).

(d) Forensic Laboratory

\$125,000 the first year and \$125,000 the second year from the general fund and \$125,000 the first year and \$125,000 the second year from the trunk highway fund are to replace forensic laboratory equipment at the Bureau of Criminal Apprehension.

\$200,000 the first year and \$200,000 the second year from the general fund and \$200,000 the first year and \$200,000 the second year from the trunk highway fund are to improve forensic laboratory staffing at the Bureau of Criminal Apprehension.

(e) Livescan Fingerprinting

\$310,000 the first year and \$389,000 the second year from the general fund are to maintain Livescan fingerprinting machines.

(f) Base adjustment

The Bureau of Criminal Apprehension general fund base is increased by \$3,470,000 in fiscal year 2016 and decreased by \$643,000 in fiscal year 2017.

(g) Transfer

\$2,500,000 the first year and \$2,500,000 the second year are transferred from the vehicle services special revenue account to the general fund.

Subd. 4. Fire Marshal

9,555,000

9,555,000

This appropriation is from the fire safety account in the special revenue fund and is for activities under Minnesota Statutes, section 299F.012.

Of this amount: (1) \$7,187,000 each year is for activities under Minnesota Statutes, section 299F.012; and (2) \$2,368,000 the first year and \$2,368,000 the second year are for transfers to the general fund under Minnesota Statutes, section 297I.06, subdivision 3.

Subd. 5. Alcohol and Gambling Enforcement

2,235,000

2,235,000

Appropriations by Fund

General	<u>1,582,000</u>	<u>1,582,000</u>
Special Revenue	<u>653,000</u>	<u>653,000</u>

This appropriation is from the alcohol enforcement account in the special revenue fund. Of this appropriation, \$500,000 each year shall be transferred to the general fund.

Subd. 6. Office of Justice Programs35,167,00035,167,000Appropriations by Fund

<u>General</u>	<u>35,071,000</u>	<u>35,071,000</u>
<u>State Government Special Revenue</u>	<u>96,000</u>	<u>96,000</u>

(a) OJP Administration Costs

Up to 2.5 percent of the grant funds appropriated in this subdivision may be used by the commissioner to administer the grant program.

(b) Crime Victim Programs

\$1,500,000 each year must be distributed through an open and competitive grant process for existing crime victim programs. The funds must be used to meet the needs of underserved and unserved areas and populations.

(c) Community Offender Reentry Program

\$150,000 in fiscal year 2014 and \$150,000 in fiscal year 2015 from the general fund are to the commissioner of public safety for a grant to the community offender reentry program for assisting individuals to transition from incarceration to the communities in and around Duluth, including assistance in finding housing, employment, educational opportunities, counseling, and other resources. This is a onetime appropriation.

(d) Youth Intervention Programs

\$461,000 each year is for youth intervention programs under Minnesota Statutes, section 299A.73. This amount must be added to the department's base budget for grants to youth intervention programs.

Subd. 7. Emergency Communication Networks59,138,00063,639,000

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

\$23,261,000 each year is to the commissioner of management and budget 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) ARMER State Backbone Operating Costs

\$9,250,000 the first year and \$9,650,00 the second year are to the commissioner of transportation for costs of maintaining and operating the first and third phases of the statewide radio system backbone.

(e) ARMER Improvements

\$1,000,000 each year is to the Statewide Radio Board for costs of design, construction, and 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 interim enhancement of public safety communication interoperability in those areas of the state where the statewide public safety radio and communication system is not yet implemented.

<u>Subd. 8. Administration and Related Services</u>	<u>234,000</u>	<u>478,000</u>
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<u>Sec. 4. PEACE OFFICER STANDARDS AND TRAINING (POST) BOARD</u>	<u>\$3,770,000</u>	<u>\$3,770,000</u>
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(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 each year in excess of \$3,770,000 must be transferred and credited to the general fund.

(b) Peace Officer Training Reimbursements

\$2,634,000 each year is for reimbursements to local governments for peace officer training costs.

<u>Sec. 5. PRIVATE DETECTIVE BOARD</u>	<u>\$121,000</u>	<u>\$122,000</u>
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Sec. 6. <u>HUMAN RIGHTS</u>	<u>\$3,322,000</u>	<u>\$3,348,000</u>
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\$129,000 each year is for increased compliance activities.

Sec. 7. **DEPARTMENT OF CORRECTIONS**

Subdivision 1. <u>Total Appropriation</u>	<u>\$481,103,000</u>	<u>\$487,864,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Correctional Institutions</u>	345,906,000	351,872,000
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(a) **Sex Offender Treatment Beds**

Of this appropriation, \$1,500,000 each year is to fund additional sex offender treatment beds and shall not be used for any other purpose. The funds appropriated in this paragraph are to supplement current funding for sex offender treatment and shall not be used to supplant current funding for sex offender treatment.

(b) **MINNCOR Transfer**

Notwithstanding Minnesota Statutes, section 241.27, the commissioner of management and budget shall transfer \$1,300,000 the first year and \$1,300,000 the second year from the Minnesota correctional industries revolving fund to the general fund. These are onetime transfers.

Subd. 3. <u>Community Services</u>	112,953,000	113,479,000
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Subd. 4. <u>Operations Support</u>	22,244,000	22,513,000
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Sec. 8. Minnesota Statutes 2012, section 161.20, subdivision 3, is amended to read:

Subd. 3. **Trunk highway fund appropriations.** The commissioner may expend trunk highway funds only for trunk highway purposes. Payment of expenses related to ~~Bureau of Criminal Apprehension Laboratory~~, Explore Minnesota Tourism kiosks, Minnesota Safety Council, ~~tort claims~~, driver education programs, Emergency Medical Services Board, Mississippi River Parkway Commission, and personnel costs incurred on behalf of the Governor's Office do not further a highway purpose and do not aid in the construction, improvement, or maintenance of the highway system.

Sec. 9. Minnesota Statutes 2012, section 243.51, subdivision 1, is amended to read:

Subdivision 1. **Contracting with other states and federal government.** The commissioner of corrections is hereby authorized to contract with agencies and bureaus of the United States and with the proper officials of other states or a county of this state for the custody, care, subsistence, education, treatment and training of persons convicted of criminal offenses constituting felonies in the courts of this state, the United States, or other states of the United States. ~~Such~~ The contracts shall provide for reimbursing the state of Minnesota for all costs or other expenses involved, and, to the extent possible, require payment to the Department of Corrections of a per diem amount that is substantially equal to or greater than the per diem for the cost of housing Minnesota inmates at the same facility. This per diem cost shall be

based on the assumption that the facility is at or near capacity. Funds received under the contracts shall be deposited in the state treasury and are appropriated to the commissioner of corrections for correctional purposes. Any prisoner transferred to the state of Minnesota pursuant to this subdivision shall be subject to the terms and conditions of the prisoner's original sentence as if the prisoner were serving the same within the confines of the state in which the conviction and sentence was had or in the custody of the United States. Nothing herein shall deprive ~~such~~ the inmate of the right to parole or the rights to legal process in the courts of this state.

Sec. 10. Minnesota Statutes 2012, section 243.51, subdivision 3, is amended to read:

Subd. 3. **Temporary detention.** The commissioner of corrections is authorized to contract with agencies and bureaus of the United States and with the appropriate officials of any other state or county of this state for the temporary detention of any person in custody pursuant to any process issued under the authority of the United States, other states of the United States, or the district courts of this state. The contract shall provide for reimbursement to the state of Minnesota for all costs and expenses involved, and, to the extent possible, require payment to the Department of Corrections of a per diem amount that is substantially equal to or greater than the per diem for the cost of housing Minnesota inmates at the same facility. This per diem cost shall be based on the assumption that the facility is at or near capacity. Funds received under the contracts shall be deposited in the state treasury and are appropriated to the commissioner of corrections for correctional purposes.

Sec. 11. Minnesota Statutes 2012, section 363A.36, subdivision 1, is amended to read:

Subdivision 1. **Scope of application.** (a) For all contracts for goods and services in excess of \$100,000, no department or agency of the state shall accept any bid or proposal for a contract or agreement from any business having more than 40 full-time employees within this state on a single working day during the previous 12 months, unless the commissioner is in receipt of the business' affirmative action plan for the employment of minority persons, women, and qualified disabled individuals. No department or agency of the state shall execute any such contract or agreement until the affirmative action plan has been approved by the commissioner. Receipt of a certificate of compliance issued by the commissioner shall signify that a firm or business has an affirmative action plan that has been approved by the commissioner. A certificate shall be valid for a period of ~~two~~ four years. A municipality as defined in section 466.01, subdivision 1, that receives state money for any reason is encouraged to prepare and implement an affirmative action plan for the employment of minority persons, women, and the qualified disabled and submit the plan to the commissioner.

(b) This paragraph applies to a contract for goods or services in excess of \$100,000 to be entered into between a department or agency of the state and a business that is not subject to paragraph (a), but that has more than 40 full-time employees on a single working day during the previous 12 months in the state where the business has its primary place of business. A department or agency of the state may not execute a contract or agreement with a business covered by this paragraph unless the business has a certificate of compliance issued by the commissioner under paragraph (a) or the business certifies that it is in compliance with federal affirmative action requirements.

(c) This section does not apply to contracts entered into by the State Board of Investment for investment options under section 352.965, subdivision 4.

Sec. 12. Minnesota Statutes 2012, section 363A.36, subdivision 2, is amended to read:

Subd. 2. **Filing fee; account; appropriation.** The commissioner shall collect a ~~\$75~~ \$150 fee for each certificate of compliance issued by the commissioner or the commissioner's designated agent. The proceeds of the fee must be deposited in a human rights fee special revenue account. Money in the account is appropriated to the commissioner to fund the cost of issuing certificates and investigating grievances.

Sec. 13. 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 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, after having been previously convicted of or adjudicated delinquent for violating subdivision 1, clause (2) this section; section sections 609.342 to 609.345; 609.3453; 609.352; 617.23, subdivision 2, clause (1) or 3; 617.246; or 617.247; or a statute from another state in conformity with subdivision 1, clause (2), or section 617.23, subdivision 2, clause (1) with any of those sections.~~

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

Sec. 14. Minnesota Statutes 2012, section 609.3455, is amended by adding a subdivision to read:

Subd. 10. **Presumptive executed sentence for repeat sex offenders.** Except as provided in subdivision 2, 3, 3a, or 4, if a person is convicted under sections 609.342 to 609.345 or 609.3453 within 15 years of a previous sex offense conviction, the court shall commit the defendant to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding sections 242.19, 243.05, 609.11, 609.12, and 609.135. The court may stay the execution of the sentence imposed under this subdivision only if it finds that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation:

(1) incarceration in a local jail or workhouse; and

(2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

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

Sec. 15. **REPEALER.**

Minnesota Statutes 2012, section 243.51, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to public safety; providing that funds received for out-of-state offenders incarcerated in Minnesota are appropriated to the Department of Corrections; modifying certificates of compliance for public contracts; enhancing penalties for certain repeat criminal sexual conduct offenders; appropriating money for public safety, corrections, and human rights; amending Minnesota Statutes 2012, sections 161.20, subdivision 3; 243.51, subdivisions 1, 3; 363A.36, subdivisions 1, 2; 609.3451, subdivision 3; 609.3455, by adding a subdivision; repealing Minnesota Statutes 2012, section 243.51, subdivision 5."

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

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 729, A bill for an act relating to jobs; establishing the jobs and economic development budget; making changes to labor and industry provisions; imposing fees; modifying employment, economic development, and workforce development provisions; making unemployment insurance changes; reducing the unemployment insurance tax; making other miscellaneous changes; appropriating money to various departments and boards; requiring reports; amending Minnesota Statutes 2012, sections 116J.70, subdivision 2a; 116J.8731, subdivisions 2, 3, 8, 9; 116L.17, subdivision 4, by adding a subdivision; 116U.26; 136F.37; 154.001, by adding a subdivision; 154.003; 154.02; 154.05; 154.06; 154.065, subdivision 2; 154.07, subdivision 1; 154.08; 154.09; 154.10, subdivision 1; 154.11, subdivision 1; 154.12; 154.14; 154.15, subdivision 2; 154.26; 155A.23, subdivisions 3, 8, 11; 155A.25, subdivisions 1a, 4; 155A.27, subdivisions 4, 10; 155A.29, subdivision 2; 155A.30, by adding a subdivision; 177.27, subdivision 4; 245.4712, subdivision 1; 268.051, subdivision 5; 268.07, subdivision 3b; 268.136, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 268.199; 268.23; 268A.13; 268A.14, subdivision 1; 326.02, subdivision 5; 326A.04, subdivisions 2, 3, 4, 5, 7; 326A.10; 326B.081, subdivision 3; 326B.082, subdivision 11; 326B.093, subdivision 4; 326B.101; 326B.103, subdivision 11; 326B.121, subdivision 1; 326B.163, by adding subdivisions; 326B.184, subdivisions 1, 2, by adding a subdivision; 326B.187; 326B.31, by adding a subdivision; 326B.33, subdivisions 19, 21; 326B.36, subdivision 7; 326B.37, by adding a subdivision; 326B.43, subdivision 2; 326B.49, subdivisions 2, 3; 326B.89, subdivision 1; 327B.04, subdivision 4; 341.21, subdivision 3a; 341.221; 341.27; 341.29; 341.30, subdivision 4; 341.32, subdivision 2; 341.321; Laws 2012, chapter 201, article 1, section 3; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 154; 155A; 179; 268; 326B; 383D; repealing Minnesota Statutes 2012, sections 116W.01; 116W.02; 116W.03; 116W.035; 116W.04; 116W.05; 116W.06; 116W.20; 116W.21; 116W.23; 116W.24; 116W.25; 116W.26; 116W.27; 116W.28; 116W.29; 116W.30; 116W.31; 116W.32; 116W.33; 116W.34; 155A.25, subdivision 1; 326A.03, subdivisions 2, 5, 8; 326B.31, subdivisions 18, 19, 22; 326B.978, subdivision 4; Minnesota Rules, parts 1105.0600; 1105.2550; 1105.2700; 1307.0032; 3800.3520, subpart 5, items C, D; 3800.3602, subpart 2, item B, subitems (5), (6).

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
APPROPRIATIONS

Section 1. **JOBS AND ECONOMIC DEVELOPMENT 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>	<u>\$77,899,000</u>	<u>\$75,301,000</u>	<u>\$153,200,000</u>
<u>Workforce Development</u>	<u>17,476,000</u>	<u>17,476,000</u>	<u>34,952,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>	<u>1,400,000</u>
<u>Workers' Compensation</u>	<u>22,784,000</u>	<u>22,574,000</u>	<u>45,358,000</u>
<u>Total</u>	<u>\$118,859,000</u>	<u>\$116,051,000</u>	<u>\$234,910,000</u>

Sec. 2. **JOBS AND ECONOMIC DEVELOPMENT.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the 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. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

APPROPRIATIONS
Available for the Year
Ending June 30
2014 **2015**

Sec. 3. **DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT**

Subdivision 1. **Total Appropriation** **\$87,788,000** **\$86,255,000**

Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	<u>70,641,000</u>	<u>69,108,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>
<u>Workforce Development</u>	<u>16,447,000</u>	<u>16,447,000</u>

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

Subd. 2. **Business and Community Development** **36,590,000** **35,610,000**

Appropriations by Fund

<u>General</u>	<u>35,890,000</u>	<u>34,910,000</u>
<u>Remediation</u>	<u>700,000</u>	<u>700,000</u>

(a)(1) \$10,000,000 each year is for the Minnesota investment fund under Minnesota Statutes, section 116J.8731. This appropriation is available until spent. The base funding for this appropriation is \$13,750,000 each year in the fiscal year 2016-2017 biennium.

(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.

(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) \$6,000,000 the first year and \$12,500,000 the second year are 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.

(c) \$1,272,000 the first year and \$1,272,000 the second year are from the general fund for contaminated site cleanup and development grants under Minnesota Statutes, sections 116J.551 to 116J.558.

(d) \$700,000 the first year and \$700,000 the second year are 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) \$5,320,000 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. The general fund base for this program is \$4,195,000 each year in the fiscal year 2016-2017 biennium.

(g) \$5,580,000 the first year is from the general fund for grants under Minnesota Statutes, section 116J.571, for the redevelopment program. This is a onetime appropriation and is available until spent.

(h) \$1,900,000 the first year is from the general fund for a onetime 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.

(i) \$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.

(j) \$200,000 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.

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

Subd. 3. Workforce Development

14,726,000

14,108,000

Appropriations by Fund

General	<u>5,134,000</u>	<u>4,516,000</u>
Workforce Development	<u>9,592,000</u>	<u>9,592,000</u>

(a) \$1,039,000 each year from the general fund and \$2,244,000 each year from the workforce development fund are for the adult workforce development competitive grant program. Of this amount, up to five percent is for administration and monitoring of the adult workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(b) \$3,500,000 each year is from the workforce development fund for the Minnesota youth program under Minnesota Statutes, sections 116L.56 and 116L.561.

(c) \$1,000,000 each year is from the workforce development fund for the youthbuild program under Minnesota Statutes, sections 116L.361 to 116L.366.

(d) \$570,000 each year is from the general fund and \$2,848,000 each year is from the workforce development fund for the youth workforce development competitive grant program. Of this

amount, up to five percent is for administration and monitoring of the youth workforce development competitive grant program. All grant awards shall be for two consecutive years. Grants shall be awarded in the first year.

(e) \$2,500,000 each year is from the general fund for a grant to the Minnesota FastTRAC program. Up to ten percent of this appropriation may be used to provide leadership, oversight, and technical assistance services. The base funding for this program shall be \$2,225,000 each year in the fiscal year 2016-2017 biennium.

(f) \$507,000 the first year and \$407,000 the second year are from the general fund for a grant to the Minnesota High Tech Association to support SciTechsperience, a program that supports science, technology, engineering, and math (STEM) internship opportunities for two- and four-year college and university students in their field of study. The internship opportunities must match students with paid internships within STEM disciplines at small, for-profit companies located in the seven-county metropolitan area, with fewer than 150 total employees, or at small or medium, for-profit companies located outside of the seven-county metropolitan area, with fewer than 250 total employees. At least 125 students must be matched in the first year and at least 175 students must be matched in the second year. Selected hiring companies shall receive from the grant 50 percent of the wages paid to the intern, capped at \$2,500 per intern. Of this appropriation, at least 50 percent of the student interns must be women or other underserved populations. This is a onetime appropriation and is available until expended.

(g) \$450,000 the first year is from the general fund for the foreign-trained health care professionals grant program modeled after the pilot program conducted under Laws 2006, chapter 282, article 11, section 2, subdivision 12, to encourage state licensure of foreign-trained health care professionals, including: physicians, with preference given to primary care physicians who commit to practicing for at least five years after licensure in underserved areas of the state; nurses; dentists; pharmacists; mental health professionals; and other allied health care professionals. The commissioner must collaborate with health-related licensing boards and Minnesota workforce centers to award grants to foreign-trained health care professionals sufficient to cover the actual costs of taking a course to prepare health care professionals for required licensing examinations and the fee for the state licensing examinations. When awarding grants, the commissioner must consider the following factors:

(1) whether the recipient's training involves a medical specialty that is in high demand in one or more communities in the state;

(2) whether the recipient commits to practicing in a designated rural area or an underserved urban community, as defined in Minnesota Statutes, section 144.1501;

(3) whether the recipient's language skills provide an opportunity for needed health care access for underserved Minnesotans; and

(4) any additional criteria established by the commissioner. This is a onetime appropriation and is available until expended.

(h) \$68,000 the first year from the general fund is for a grant to Olmsted County for employment supports and independent living services to county residents diagnosed with high-functioning autism, Asperger's syndrome, nonverbal learning disorders, and pervasive development disorder, not otherwise specified, and for education, outreach, and support services to area employers to encourage the hiring and promotion of workers with high-functioning autism, Asperger's syndrome, nonverbal learning disorders, and pervasive development disorder, not otherwise specified. This is a onetime appropriation and is available until expended.

Subd. 4. General Support Services

1,509,000

1,604,000

(a) \$150,000 each year is from the general fund for the cost-of-living study required under Minnesota Statutes, section 116J.013.

(b) \$250,000 each year is from the general fund for the publication, dissemination, and use of labor market information under Minnesota Statutes, section 116J.4011.

Subd. 5. Minnesota Trade Office

2,322,000

2,292,000

(a) \$330,000 in fiscal year 2014 and \$300,000 in fiscal year 2015 are for the STEP grants in Minnesota Statutes, section 116J.979. Of the fiscal year 2014 appropriation, \$30,000 is for establishing trade and export relations between the state of Minnesota and east African nations.

(b) \$180,000 in fiscal year 2014 and \$180,000 in fiscal year 2015 are for the Invest Minnesota marketing initiative in Minnesota Statutes, section 116J.9801. Notwithstanding any other law, this provision does not expire.

(c) \$270,000 each year is from the general fund for the expansion of Minnesota Trade Offices under Minnesota Statutes, section 116J.978.

(d) \$50,000 each year is from the general fund for the trade policy advisory group under Minnesota Statutes, section 116J.9661.

(e) The commissioner of employment and economic development, in consultation with the commissioner of agriculture, shall identify and increase export opportunities for Minnesota agricultural products.

Subd. 6. Vocational Rehabilitation

26,716,000

26,716,000

Appropriations by Fund

<u>General</u>	<u>19,861,000</u>	<u>19,861,000</u>
<u>Workforce Development</u>	<u>6,855,000</u>	<u>6,855,000</u>

(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) \$5,245,000 each year from the general fund and \$6,830,000 each year from the workforce development fund are for extended employment services for persons with severe disabilities under Minnesota Statutes, section 268A.15.

(d) \$1,555,000 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.

(e) \$25,000 each year is from the workforce development fund for grants to programs that provide employment support services to persons with mental illness under Minnesota Statutes, sections 268A.13 and 268A.14. At least 50 percent of the funding must be used for projects that use the evidence-based practice of individual placement and supports. Grants may be used for special projects for young people with mental illness transitioning from school to work or experiencing a first psychotic episode.

Subd. 7. Services for the Blind

5,925,000

5,925,000

Subd. 8. Competitive grant limitations.

An organization that receives a direct appropriation under this section is not eligible to participate in competitive grant programs under this section during the fiscal years in which the direct appropriations are received.

Sec. 4. DEPARTMENT OF LABOR AND INDUSTRY

Subdivision 1. Total Appropriation

\$23,859,000

\$22,948,000

Appropriations by Fund

	<u>2014</u>	<u>2015</u>
<u>General</u>	<u>1,959,000</u>	<u>1,048,000</u>
<u>Workers' Compensation</u>	<u>20,871,000</u>	<u>20,871,000</u>
<u>Workforce Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

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

<u>Subd. 2. Workers' Compensation</u>	<u>10,678,000</u>	<u>10,678,000</u>
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This appropriation is from the workers' compensation fund.

\$200,000 each year is for grants to the Vinland Center for rehabilitation services. Grants shall be distributed as the department refers injured workers to the Vinland Center for rehabilitation services.

<u>Subd. 3. Labor Standards and Apprenticeship</u>	<u>2,988,000</u>	<u>2,077,000</u>
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Appropriations by Fund

<u>General</u>	<u>1,959,000</u>	<u>1,048,000</u>
<u>Workforce Development</u>	<u>1,029,000</u>	<u>1,029,000</u>

(a) \$816,000 each year is from the general fund for the labor standards and apprenticeship program.

(b) \$150,000 each year is from the general fund for a child labor initiative for expanding education and outreach to high schools and targeted industries to ensure minors entering the workforce are safe.

(c) \$879,000 each year is appropriated from the workforce development fund for the apprenticeship program under Minnesota Statutes, chapter 178, and includes \$100,000 for labor education and advancement program grants and to expand and promote registered apprenticeship training in nonconstruction trade programs.

(d) \$150,000 each year is appropriated from the workforce development fund for prevailing wage enforcement.

(e) \$70,000 in the second year is from the general fund for implementing and administering a minimum wage inflation adjustment. This appropriation is available only if a law is enacted in 2013 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.

(f) \$987,000 in fiscal year 2014 is appropriated from the general fund to the commissioner of labor and industry for the purposes of the job-based education and apprenticeship program (JEAP) for manufacturing industries under article 2. This appropriation is available until spent. Of this appropriation:

(1) \$330,000 is for the commissioner of labor and industry to implement JEAP; and

(2) \$657,000 is for transfer to the Board of Trustees of the Minnesota State Colleges and Universities for grants to administer the JEAP related instruction component, to be dispersed as follows:

(i) \$187,000 is for Alexandria Technical and Community College's Customized Training Center;

(ii) \$380,000 is for Century College;

(iii) \$45,000 is for Hennepin Technical College; and

(iv) \$45,000 is for Central Lakes College.

Subd. 4. Workplace Safety

4,154,000

4,154,000

This appropriation is from the workers' compensation fund.

Subd. 5. General Support

6,039,000

6,039,000

This appropriation is from the workers' compensation fund.

Sec. 5. BUREAU OF MEDIATION SERVICES

\$2,140,000

\$2,056,000

(a) \$68,000 each year is for grants to area labor management committees. Grants may be awarded for a 12-month period beginning July 1 each year. Any unencumbered balance remaining at the end of the first year does not cancel but is available for the second year.

(b) \$100,000 in fiscal year 2014 is appropriated from the general fund to the Bureau of Mediation Services for transfer to the Office of Enterprise Technology to develop a new business management system for case and document management. This is a onetime appropriation and is available for spending until June 30, 2015. Any ongoing information technology support or costs for this application will be incorporated into the service level agreement and will be paid to the Office of Enterprise Technology by the Bureau of Mediation Services under the rates and mechanism specified in that agreement.

(c) \$256,000 each year is from the general fund for the Office of Collaboration and Dispute Resolution under Minnesota Statutes, section 179.90. Of this amount, \$160,000 each year is for grants

under Minnesota Statutes, section 179.91, and \$96,000 each year is for intergovernmental and public policy collaboration and operation of the office.

(d) The bureau's general fund base is \$2,085,000 in fiscal year 2016 and \$2,089,000 in fiscal year 2017.

Sec. 6. <u>BOARD OF ACCOUNTANCY</u>	<u>\$708,000</u>	<u>\$624,000</u>
Sec. 7. <u>BOARD OF ARCHITECTURE, ENGINEERING, LAND SURVEYING, LANDSCAPE ARCHITECTURE, GEOSCIENCE, AND INTERIOR DESIGN</u>	<u>\$778,000</u>	<u>\$783,000</u>
Sec. 8. <u>BOARD OF COSMETOLOGIST EXAMINERS</u>	<u>\$1,354,000</u>	<u>\$1,361,000</u>
Sec. 9. <u>BOARD OF BARBER EXAMINERS</u>	<u>\$319,000</u>	<u>\$321,000</u>
Sec. 10. <u>WORKERS' COMPENSATION COURT OF APPEALS</u>	<u>\$1,913,000</u>	<u>\$1,703,000</u>

This appropriation is from the workers' compensation fund.

Of this appropriation, \$210,000 in the first year is onetime and is available for spending until June 30, 2015. \$110,000 in fiscal year 2014 is for a onetime transfer to the Office of Enterprise Technology to develop a paperless case management system and to ensure that services and hardware are accessible and compatible with systems with which the Workers' Compensation Court of Appeals must interact. Any ongoing information technology support or costs for this application will be incorporated into the service level agreement and will be paid to the Office of Enterprise Technology by the Workers' Compensation Court of Appeals under the rates and mechanism specified in that agreement.

Sec. 11. **CANCELLATION.**

Of the appropriation to the commissioner of the department of employment and economic development for the Minnesota Investment Fund in Laws 2012, First Special Session chapter 1, article 1, section 5, \$7,000,000 is canceled to the general fund.

ARTICLE 2
LABOR AND INDUSTRY

Section 1. Minnesota Statutes 2012, section 116J.70, subdivision 2a, is amended to read:

Subd. 2a. **License; exceptions.** "Business license" or "license" does not include the following:

(1) any occupational license or registration issued by a licensing board listed in section 214.01 or any occupational registration issued by the commissioner of health pursuant to section 214.13;

- (2) any license issued by a county, home rule charter city, statutory city, township, or other political subdivision;
- (3) any license required to practice the following occupation regulated by the following sections:
 - (i) abstracters regulated pursuant to chapter 386;
 - (ii) accountants regulated pursuant to chapter 326A;
 - (iii) adjusters regulated pursuant to chapter 72B;
 - (iv) architects regulated pursuant to chapter 326;
 - (v) assessors regulated pursuant to chapter 270;
 - (vi) athletic trainers regulated pursuant to chapter 148;
 - (vii) attorneys regulated pursuant to chapter 481;
 - (viii) auctioneers regulated pursuant to chapter 330;
 - (ix) barbers and cosmetologists regulated pursuant to chapter 154;
 - (x) boiler operators regulated pursuant to chapter ~~183~~ 326B;
 - (xi) chiropractors regulated pursuant to chapter 148;
 - (xii) collection agencies regulated pursuant to chapter 332;
 - (xiii) dentists, registered dental assistants, and dental hygienists regulated pursuant to chapter 150A;
 - (xiv) detectives regulated pursuant to chapter 326;
 - (xv) electricians regulated pursuant to chapter ~~326~~ 326B;
 - (xvi) mortuary science practitioners regulated pursuant to chapter 149A;
 - (xvii) engineers regulated pursuant to chapter 326;
 - (xviii) insurance brokers and salespersons regulated pursuant to chapter 60A;
 - (xix) certified interior designers regulated pursuant to chapter 326;
 - (xx) midwives regulated pursuant to chapter 147D;
 - (xxi) nursing home administrators regulated pursuant to chapter 144A;
 - (xxii) optometrists regulated pursuant to chapter 148;
 - (xxiii) osteopathic physicians regulated pursuant to chapter 147;
 - (xxiv) pharmacists regulated pursuant to chapter 151;

- (xxv) physical therapists regulated pursuant to chapter 148;
- (xxvi) physician assistants regulated pursuant to chapter 147A;
- (xxvii) physicians and surgeons regulated pursuant to chapter 147;
- (xxviii) plumbers regulated pursuant to chapter ~~326~~ 326B;
- (xxix) podiatrists regulated pursuant to chapter 153;
- (xxx) practical nurses regulated pursuant to chapter 148;
- (xxxi) professional fund-raisers regulated pursuant to chapter 309;
- (xxxii) psychologists regulated pursuant to chapter 148;
- (xxxiii) real estate brokers, salespersons, and others regulated pursuant to chapters 82 and 83;
- (xxxiv) registered nurses regulated pursuant to chapter 148;
- (xxxv) securities brokers, dealers, agents, and investment advisers regulated pursuant to chapter 80A;
- (xxxvi) steamfitters regulated pursuant to chapter ~~326~~ 326B;
- (xxxvii) teachers and supervisory and support personnel regulated pursuant to chapter 125;
- (xxxviii) veterinarians regulated pursuant to chapter 156;
- (xxxix) water conditioning contractors and installers regulated pursuant to chapter ~~326~~ 326B;
- (xl) water well contractors regulated pursuant to chapter 103I;
- (xli) water and waste treatment operators regulated pursuant to chapter 115;
- (xlii) motor carriers regulated pursuant to chapter 221;
- (xliii) professional firms regulated under chapter 319B;
- (xliv) real estate appraisers regulated pursuant to chapter 82B;
- (xlv) residential building contractors, residential remodelers, residential roofers, manufactured home installers, and specialty contractors regulated pursuant to chapter ~~326~~ 326B;
- (xlvi) licensed professional counselors regulated pursuant to chapter 148B;
- (4) any driver's license required pursuant to chapter 171;
- (5) any aircraft license required pursuant to chapter 360;
- (6) any watercraft license required pursuant to chapter 86B;

(7) any license, permit, registration, certification, or other approval pertaining to a regulatory or management program related to the protection, conservation, or use of or interference with the resources of land, air, or water, which is required to be obtained from a state agency or instrumentality; and

(8) any pollution control rule or standard established by the Pollution Control Agency or any health rule or standard established by the commissioner of health or any licensing rule or standard established by the commissioner of human services.

Sec. 2. Minnesota Statutes 2012, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, 181.275, subdivision 2a, 181.722, and 181.79, or with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 3. Minnesota Statutes 2012, section 326.02, subdivision 5, is amended to read:

Subd. 5. **Limitation.** The provisions of sections 326.02 to 326.15 shall not apply to the preparation of plans and specifications for the erection, enlargement, or alteration of any building or other structure by any person, for that person's exclusive occupancy or use, unless such occupancy or use involves the public health or safety or the health or safety of the employees of said person, or of the buildings listed in section 326.03, subdivision 2, nor to any detailed or shop plans required to be furnished by a contractor to a registered engineer, landscape architect, architect, or certified interior designer, nor to any standardized manufactured product, nor to any construction superintendent supervising the execution of work designed by an architect, landscape architect, engineer, or certified interior designer licensed or certified in accordance with section 326.03, nor to the planning for and supervision of the construction and installation of work by an electrical or elevator contractor or master plumber as defined in and licensed pursuant to chapter 326B, where such work is within the scope of such licensed activity and not within the practice of professional engineering, or architecture, or where the person does not claim to be a certified interior designer as defined in subdivision 2, 3, or 4b.

Sec. 4. Minnesota Statutes 2012, section 326B.081, subdivision 3, is amended to read:

Subd. 3. **Applicable law.** "Applicable law" means the provisions of sections 181.723, 325E.66, 327.31 to 327.36, ~~and~~ this chapter, and chapter 341, and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted, issued, or enforced by the department under sections 181.723, 325E.66, 327.31 to 327.36, ~~or~~ this chapter, or chapter 341.

Sec. 5. Minnesota Statutes 2012, section 326B.082, subdivision 11, is amended to read:

Subd. 11. **Licensing orders; grounds; reapplication.** (a) The commissioner may deny an application for a permit, license, registration, or certificate if the applicant does not meet or fails to maintain the minimum qualifications for holding the permit, license, registration, or certificate, or has any unresolved violations or unpaid fees or monetary penalties related to the activity for which the permit, license, registration, or certificate has been applied for or was issued.

(b) The commissioner may deny, suspend, limit, place conditions on, or revoke a person's permit, license, registration, or certificate, or censure the person holding the permit, license, registration, or certificate, if the commissioner finds that the person:

- (1) committed one or more violations of the applicable law;
- (2) submitted false or misleading information to the state in connection with activities for which the permit, license, registration, or certificate was issued, or in connection with the application for the permit, license, registration, or certificate;
- (3) allowed the alteration or use of the person's own permit, license, registration, or certificate by another person;
- (4) within the previous five years, was convicted of a crime in connection with activities for which the permit, license, registration, or certificate was issued;
- (5) violated: (i) a final administrative order issued under subdivision 7 or (ii) a final stop order issued under subdivision 10, or (iii) injunctive relief issued under subdivision 9, or (iv) a consent order or final order of the commissioner;
- (6) failed to cooperate with a commissioner's request to give testimony, to produce documents, things, apparatus, devices, equipment, or materials, or to access property under subdivision 2;
- (7) retaliated in any manner against any employee or person who is questioned by, cooperates with, or provides information to the commissioner or an employee or agent authorized by the commissioner who seeks access to property or things under subdivision 2;
- (8) engaged in any fraudulent, deceptive, or dishonest act or practice; or
- (9) performed work in connection with the permit, license, registration, or certificate or conducted the person's affairs in a manner that demonstrates incompetence, untrustworthiness, or financial irresponsibility.

(c) If the commissioner revokes or denies a person's permit, license, registration, or certificate under paragraph (b), the person is prohibited from reapplying for the same type of permit, license, registration, or certificate for at least two years after the effective date of the revocation or denial. The commissioner may, as a condition of reapplication, require the person to obtain a bond or comply with additional reasonable conditions the commissioner considers necessary to protect the public.

(d) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn, or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the permit, license, registration, or certificate was last effective and enter a revocation or suspension order as of the last date on which the permit, license, registration, or certificate was in effect.

Sec. 6. Minnesota Statutes 2012, section 326B.093, subdivision 4, is amended to read:

Subd. 4. **Examination results.** If the applicant receives a passing score on the examination and meets all other requirements for licensure, the commissioner must approve the application and notify the applicant of the approval within 60 days of the date of the passing score. The applicant must, within ~~90~~ 180 days after the notification of approval, pay the license fee. Upon receipt of the license fee, the commissioner must issue the license. If the applicant does not pay the license fee within ~~90~~ 180 days after the notification of approval, the commissioner will rescind the approval and must deny the application. If the applicant does not receive a passing score on the examination, the commissioner must deny the application. If the application is denied because of the applicant's failure to receive a passing score on the examination, then the applicant cannot submit a new application for the license until at least 30 days after the notification of denial.

Sec. 7. Minnesota Statutes 2012, section 326B.101, is amended to read:

326B.101 POLICY AND PURPOSE.

The State Building Code governs the construction, reconstruction, alteration, ~~and~~ repair, and use of buildings and other structures to which the code is applicable. The commissioner shall administer and amend a state code of building construction which will provide basic and uniform performance standards, establish reasonable safeguards for health, safety, welfare, comfort, and security of the residents of this state and provide for the use of modern methods, devices, materials, and techniques which will in part tend to lower construction costs. The construction of buildings should be permitted at the least possible cost consistent with recognized standards of health and safety.

Sec. 8. Minnesota Statutes 2012, section 326B.103, subdivision 11, is amended to read:

Subd. 11. **Public building.** "Public building" means a building and its grounds the cost of which is paid for by the state or a state agency regardless of its cost, and a school district building project or charter school building project the cost of which is \$100,000 or more.

Sec. 9. Minnesota Statutes 2012, section 326B.121, subdivision 1, is amended to read:

Subdivision 1. **Application.** (a) The State Building Code is the standard that applies statewide for the construction, reconstruction, alteration, ~~and~~ repair, and use of buildings and other structures of the type governed by the code.

(b) The State Building Code supersedes the building code of any municipality.

(c) The State Building Code does not apply to agricultural buildings except:

(1) with respect to state inspections required or rulemaking authorized by sections 103F.141; 216C.19, subdivision 9; and 326B.36; and

(2) translucent panels or other skylights without raised curbs shall be supported to have equivalent load-bearing capacity as the surrounding roof.

Sec. 10. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 9. Direct supervision. "Direct supervision" means:

(1) an unlicensed individual is being directly supervised by an individual licensed to perform the elevator work being supervised during the entire time the unlicensed individual is performing elevator work;

(2) the licensed individual is physically present at the location where the unlicensed individual is performing elevator work and immediately available to the unlicensed individual at all times for assistance and direction;

(3) the licensed individual shall review the elevator work performed by the unlicensed individual before the elevator work is operated; and

(4) the licensed individual is able to and does determine that all elevator work performed by the unlicensed individual is performed in compliance with the elevator code.

Sec. 11. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 10. **Elevator contractor.** "Elevator contractor" means a licensed contractor whose responsible licensed individual is a master elevator constructor. An elevator contractor license does not itself qualify its holder to perform or supervise elevator work authorized by holding a personal license issued by the commissioner.

Sec. 12. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 11. **Limited elevator contractor.** "Limited elevator contractor" means a licensed contractor whose responsible licensed individual is a limited master elevator constructor. A limited elevator contractor or its employees may only install, test, or alter residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited application elevator equipment, conveyors, and special purpose personnel elevators.

Sec. 13. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 11a. **Limited elevator work.** "Limited elevator work" means the installing, maintaining, altering, repairing, testing, planning, or laying out of residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited application elevator equipment, conveyors, and special purpose personnel elevators as covered by Minnesota Rules, chapters 1307 and 1315. Limited elevator work also includes electrical wiring on the load side of the elevator equipment disconnect and the decommissioning of elevator equipment to enable safe removal.

Sec. 14. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 12. **Elevator work.** "Elevator work" means the installing, maintaining, altering, repairing, testing, planning, or laying out of elevator apparatus or equipment as covered by Minnesota Rules, chapters 1307 and 1315. Elevator work also includes the disconnection of electrical wiring on the load side of the elevator equipment disconnect and the decommissioning of elevator equipment to enable safe removal.

Sec. 15. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 13. **Master elevator constructor.** "Master elevator constructor" means an individual having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, supervise, and perform the installation, maintenance, altering, testing, wiring, and repair of apparatus and equipment for elevators, including electrical wiring on the load side of the elevator equipment disconnect and who is licensed as a master elevator constructor by the commissioner.

Sec. 16. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 14. **Limited master elevator constructor.** "Limited master elevator constructor" means an individual having the necessary qualifications, training, experience, and technical knowledge to properly plan, lay out, supervise, and perform the testing, altering, installation, maintenance, and repair of wiring, apparatus, and equipment for residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited application elevator equipment, conveyors, and special purpose personnel elevators, including wiring on the load side of the elevator equipment disconnect and who is licensed as a limited master elevator constructor by the commissioner.

Sec. 17. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 14a. **Limited journeyman elevator constructor.** "Limited journeyman elevator constructor" means an individual having the necessary qualifications, training, experience, and technical knowledge to install, maintain, alter, test, and repair apparatus and equipment for residential elevators, platform lifts, stairway chairlifts,

dumbwaiters, material lifts, limited use or limited application elevator equipment, conveyors, and special purpose personnel elevators, including electrical wiring on the load side of the elevator equipment disconnect and who is licensed as a limited journeyman elevator constructor by the commissioner.

Sec. 18. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 15. **Journeyman elevator constructor.** "Journeyman elevator constructor" means an individual having the necessary qualifications, training, experience, and technical knowledge to install, maintain, alter, test, and repair apparatus and equipment for elevators, including electrical wiring on the load side of the elevator equipment disconnect and who is licensed as a journeyman elevator constructor by the commissioner.

Sec. 19. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 16. **Registered unlicensed elevator constructor.** "Registered unlicensed elevator constructor" means an individual who has registered with the department but is not licensed by the commissioner to perform elevator work.

Sec. 20. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 17. **Residential dwelling.** "Residential dwelling" is a single dwelling unit that is contained in a one-family, two-family, or multifamily dwelling. A residential dwelling also includes outdoor space at a one-family dwelling.

Sec. 21. Minnesota Statutes 2012, section 326B.163, is amended by adding a subdivision to read:

Subd. 18. **Responsible licensed individual.** "Responsible licensed individual" means an individual licensed as a master elevator constructor or limited master elevator constructor who is identified as the responsible licensed individual on an elevator contractor license application.

Sec. 22. **[326B.164] LICENSES.**

Subdivision 1. **Master elevator constructor.** (a) Except as otherwise provided by law, no individual shall perform or supervise elevator work, unless:

(1) the individual is licensed by the commissioner as a master elevator constructor; and

(2) the elevator work is for a licensed elevator contractor and the individual is an employee, partner, or officer of, or is the licensed contractor.

(b) An applicant for a master elevator constructor license shall:

(1) have at least one year of experience, acceptable to the commissioner, as a licensed journeyman elevator constructor; or

(2) have at least six years' experience, acceptable to the commissioner, in planning for, laying out, supervising, and installing apparatus, equipment, and wiring for elevators.

(c) Individuals licensed as master elevator constructors under section 326B.33, subdivision 11, as of December 31, 2013, shall not be required to pass an examination under this section but, effective January 1, 2014, shall be subject to the requirements of sections 326B.163 to 326B.191.

(d) Except for the initial license term, as a condition of license renewal, master elevator constructors must attain a minimum of 16 hours of continuing education credit approved by the commissioner every renewal period. Not less than 12 hours shall be based on the Minnesota Elevator Code or elevator technology, and not less than four hours shall be based on the National Electrical Code.

Subd. 2. **Limited master elevator constructor.** (a) Except as otherwise provided by law, no individual shall perform or supervise elevator work on residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited application elevator equipment, conveyors, and special purpose personnel elevators, unless:

(1) the individual is licensed by the commissioner as a limited master elevator constructor; and

(2) the elevator work is for a limited elevator contractor and the individual is an employee, partner, or officer of, or is the licensed contractor.

(b) An applicant for a limited master elevator constructor license shall have at least three years of experience, acceptable to the commissioner, in installing apparatus, equipment, and wiring for elevators.

(c) Except for the initial license term, as a condition of license renewal, limited master elevator constructors must attain a minimum of eight hours of continuing education credit approved by the commissioner every renewal period. Not less than six hours shall be based on the Minnesota Elevator Code or elevator technology, and not less than two hours on the National Electrical Code.

Subd. 3. **Journeyman elevator constructor.** (a) Except as otherwise provided by law, no individual shall perform and supervise elevator work except for planning or laying out of elevator work, unless:

(1) the individual is licensed by the commissioner as a journeyman elevator constructor; and

(2) the elevator work is for an elevator contractor, and the individual is an employee, partner, or officer of the licensed elevator contractor.

(b) An applicant for a journeyman elevator constructor license shall have completed a four-year elevator mechanics apprenticeship registered with the United States Department of Labor or worked at least 9,000 hours in five consecutive years for a licensed elevator contractor, acceptable to the commissioner, installing, maintaining, modernizing, testing, wiring, and repairing elevators.

(c) Individuals licensed as journeyman elevator constructors under section 326B.33, subdivision 8, as of December 31, 2013, shall not be required to pass an examination under this section but, effective January 1, 2014, shall be subject to the requirements of sections 326B.163 to 326B.191.

(d) As a condition of license renewal, journeyman elevator constructors must attain a minimum of 16 hours of continuing education credit approved by the commissioner every renewal period. Not less than 12 hours shall be based on the Minnesota Elevator Code or elevator technology, and not less than four hours shall be based on the National Electrical Code.

Subd. 3a. **Limited journeyman elevator constructor.** (a) Except as otherwise provided by law, no individual shall perform or supervise elevator work on residential elevators, platform lifts, stairway chairlifts, dumbwaiters, material lifts, limited use or limited application elevator equipment, conveyors, and special purpose personnel elevators, except for planning or laying out of elevator work, unless:

(1) the individual is licensed by the commissioner as a limited journeyman elevator constructor; and

(2) the elevator work is for a limited elevator contractor or an elevator contractor, and the individual is an employee, partner, or officer of the licensed limited elevator contractor or licensed elevator contractor.

(b) An applicant for a limited journeyman elevator constructor license shall have at least two years of experience, acceptable to the commissioner, in installing apparatus, equipment, and wiring for elevators.

(c) Except for the initial license term, as a condition of license renewal, limited journeyman elevator constructors must attain a minimum of eight hours of continuing education credit approved by the commissioner every renewal period. Not less than six hours shall be based on the Minnesota Elevator Code or elevator technology, and not less than two hours on the National Electrical Code.

Subd. 4. **Registered unlicensed elevator constructor.** (a) An unlicensed individual shall not perform elevator work, unless the individual has first registered with the department as an unlicensed elevator constructor. Except as allowed by subdivision 12, a registered unlicensed elevator constructor shall not perform elevator work unless the work is performed under the direct supervision of an individual actually licensed to perform such work. The licensed elevator constructor and the registered unlicensed elevator constructor must be employed by the same employer. Unlicensed individuals shall not supervise the performance of elevator work or make assignments of elevator work to unlicensed individuals. Licensed elevator constructors shall provide direct supervision for no more than two registered unlicensed elevator constructors.

(b) Notwithstanding any other provision of this section, no individual other than a master elevator constructor or limited master elevator constructor shall plan or lay out elevator wiring, apparatus, or equipment.

(c) Contractors employing registered unlicensed elevator constructors performing elevator work shall maintain records establishing compliance with this subdivision that shall identify all unlicensed individuals performing elevator work and shall permit the department to examine and copy all such records.

(d) When a licensed elevator constructor supervises the elevator work of an unlicensed individual, the licensed elevator constructor is responsible for ensuring that the elevator work complies with this section and the Minnesota Elevator Code.

(e) A registered unlicensed elevator constructor with a minimum of one year experience may perform the following maintenance tasks for elevator equipment without being provided with direct supervision: oiling, cleaning, greasing, painting, relamping, and replacing of escalator and moving walk comb teeth.

Subd. 5. **Registration of unlicensed individuals.** (a) Unlicensed individuals performing elevator work for a contractor shall register with the department in the manner prescribed by the commissioner. Experience credit for elevator work performed in Minnesota after January 1, 2009, by an applicant for a license identified in this section shall not be granted where the applicant has not registered with the department or is not licensed by the department.

(b) As a condition of renewal of registration, unlicensed individuals shall attain a minimum of two hours of continuing education credit, approved by the commissioner, every renewal period. The continuing education course shall be based on the Minnesota Elevator Code or elevator technology.

(c) Individuals registered under section 326B.33, subdivision 13, whose registration expires after July 31, 2013, shall be subject to the registration requirements of this subdivision and the requirements of sections 326B.163 to 326B.191.

Subd. 6. **Contractor's license required.** (a) No individual, other than an employee, partner, or officer of a licensed contractor, as defined by section 326B.163, subdivision 10, shall perform or offer to perform elevator work with or without compensation, unless the individual obtains a contractor's license. A contractor's license does not of itself qualify its holder to perform or supervise the elevator work authorized by holding any class of personal license.

(b) Companies licensed under section 326B.33, subdivision 14, as of July 31, 2013, shall not be required to comply with this subdivision.

Subd. 7. **Bond required.** As a condition of licensing, each contractor shall give and maintain bond to the state in the sum of \$25,000, conditioned upon the faithful and lawful performance of all work contracted for or performed by the contractor within the state of Minnesota, and such bond shall be for the benefit of persons injured or suffering

financial loss by reason of failure of such performance. The bond shall be filed with the commissioner and shall be in lieu of all other license bonds to any other political subdivision. The bond shall be written by a corporate surety licensed to do business in the state of Minnesota.

Subd. 8. **Insurance required.** Each elevator contractor shall have and maintain in effect general liability insurance, which includes premises and operations insurance and products and completed operations insurance, with limits of at least \$100,000 per occurrence, \$300,000 aggregate limit for bodily injury, and property damage insurance with limits of at least \$50,000, or a policy with a single limit for bodily injury and property damage of \$300,000 per occurrence and \$300,000 aggregate limits. The insurance shall be written by an insurer licensed to do business in the state of Minnesota, and each contractor shall maintain on file with the commissioner a certificate evidencing such insurance. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured.

Subd. 9. **Employment of responsible individual.** (a) Each elevator contractor must designate a responsible master elevator constructor or limited master elevator constructor who shall be the responsible individual for the performance of all elevator work in accordance with the requirements of sections 326B.163 to 326B.191, all rules adopted under these sections, and all orders issued under section 326B.082. The classes of work that a licensed contractor is authorized to perform shall be limited to the classes of work that the responsible individual is allowed to perform.

(b) When a contractor's license is held by an individual, sole proprietorship, partnership, limited liability company, or corporation, and the individual, proprietor, one of the partners, one of the members, or an officer of the corporation, respectively, is not the responsible master elevator constructor or limited master elevator constructor, all elevator permits shall be submitted by the responsible master elevator constructor or limited master elevator constructor. If the contractor is an individual or a sole proprietorship, the responsible master or limited master elevator constructor must be the individual, proprietor, or managing employee. If the contractor is a partnership, the responsible master or limited master elevator constructor must be a general partner or managing employee. If the licensed contractor is a limited liability company, the responsible master or limited master elevator constructor must be a chief manager or managing employee. If the contractor is a corporation, the responsible master or limited master elevator constructor must be an officer or managing employee. If the responsible master or limited master elevator constructor is a managing employee, the responsible individual must be actively engaged in performing elevator work on behalf of the contractor and cannot be employed in any capacity performing elevator work for any other elevator contractor or employer. An individual may be the responsible individual for only one contractor.

(c) All applications and renewals for contractor licenses shall include a verified statement that the applicant and responsible individual are in compliance with this subdivision.

Subd. 10. **Examination.** In addition to the other requirements described in this section and sections 326B.091 to 326B.098, as a precondition to issuance of a personal license, each applicant must pass a written or oral examination developed and administered by the commissioner to ensure the competence of each applicant for license. An oral examination shall be administered only to an applicant who furnishes a written statement from a certified teacher or other professional, trained in the area of reading disabilities, stating that the applicant has a specific reading disability that would prevent the applicant from performing satisfactorily on a written test. The oral examination shall be structured so that an applicant who passes the examination will not impair the applicant's own safety or that of others while acting as a licensed individual.

Subd. 11. **License, registration, and renewal fees; expiration.** (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the following schedule:

(1) master licenses expire March 1 of each odd-numbered year after issuance or renewal;

(2) elevator contractor licenses expire March 1 of each even-numbered year after issuance or renewal;

(3) journeyman elevator constructor licenses expire two years from the date of original issuance and every two years thereafter; and

(4) registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

(b) For purposes of calculating license fees and renewal license fees required under section 326B.092:

(1) the registration of an unlicensed individual under subdivision 5 shall be considered an entry-level license;

(2) the journeyman elevator constructor shall be considered a journeyman license;

(3) the master elevator constructor and limited master elevator constructor licenses shall be considered master licenses; and

(4) an elevator contractor license shall be considered a business license.

Subd. 12. **Exemption from licensing.** Employees of a licensed elevator contractor or licensed limited elevator contractor are not required to hold or obtain a license under this section or be provided with direct supervision by a licensed master elevator constructor, licensed limited master elevator constructor, licensed elevator constructor, or licensed limited elevator constructor to install, maintain, or repair platform lifts and stairway chairlifts. Unlicensed employees performing elevator work under this exemption must comply with subdivision 5. This exemption does not include the installation, maintenance, repair, or replacement of electrical wiring for elevator equipment.

Subd. 13. **Reciprocity.** (a) The commissioner may enter into reciprocity agreements for personal licenses with another state and issue a personal license without requiring the applicant to pass an examination provided the applicant:

(1) submits an application under this section;

(2) pays the application and examination fee and license fee required under section 326B.092; and

(3) holds a valid comparable license in the state participating in the agreement.

(b) Reciprocity agreements are subject to the following:

(1) the parties to the agreement must administer a statewide licensing program that includes examination and qualifying experience or training comparable to Minnesota's;

(2) the experience and training requirements under which an individual applicant qualified for examination in the qualifying state must be deemed equal to or greater than required for an applicant making application in Minnesota at the time the applicant acquired the license in the qualifying state;

(3) the applicant must have acquired the license in the qualifying state through an examination deemed equivalent to the same class of license examination in Minnesota. A lesser class of license may be granted where the applicant has acquired a greater class of license in the qualifying state, and the applicant otherwise meets the conditions of this subdivision;

(4) at the time of application, the applicant must hold a valid license in the qualifying state and have held the license continuously for at least one year before making application in Minnesota;

(5) an applicant is not eligible for a license under this subdivision if the applicant has failed the same or greater class of license examination in Minnesota, or if the applicant's license of the same or greater class has been revoked or suspended; and

(6) an applicant who has failed to renew a personal license for two years or more after its expiration is not eligible for a license under this subdivision.

Sec. 23. Minnesota Statutes 2012, section 326B.184, subdivision 1, is amended to read:

Subdivision 1. **Permits.** No person may construct, install, alter, repair, or remove an elevator without first filing an application for a permit with the department or a municipality authorized by subdivision 4 to inspect elevators. A permit issued by the department is valid for work commenced within 12 months of application and completed within two years of application. Where no work is commenced within 12 months of application, an applicant may cancel the permit and request a refund of inspection fees.

Sec. 24. Minnesota Statutes 2012, section 326B.184, is amended by adding a subdivision to read:

Subd. 1a. Department permit and inspection fees. (a) The department permit and inspection fees to construct, install, alter, repair, or remove an elevator are as follows:

(1) the permit fee is \$100;

(2) the inspection fee is 0.015 of the total cost of the permitted work for labor and materials, including related electrical and mechanical equipment. The inspection fee covers two inspections. The inspection fee for additional inspections is \$80 per hour;

(3) when inspections scheduled by the permit submitter are not able to be completed because the work is not complete, a fee equal to two hours at the hourly rate of \$80 must be paid by the permit submitter; and

(4) when the owner or permit holder requests inspections be performed outside of normal work hours or on weekends or holidays, an hourly rate of \$120 in addition to the inspection fee must be paid.

(b) The department fees for inspection of existing elevators when requested by the elevator owner or as a result of an accident resulting in personal injury are at an hourly rate of \$80 during normal work hours or \$120 outside of normal work hours or on weekends or holidays, with a one-hour minimum.

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

Sec. 25. Minnesota Statutes 2012, section 326B.184, subdivision 2, is amended to read:

Subd. 2. **Operating permits and fees; periodic inspections.** (a) No person may operate an elevator without first obtaining an annual operating permit from the department or a municipality authorized by subdivision 4 to issue annual operating permits. A \$100 annual operating permit fee must be paid to the department for each annual operating permit issued by the department, except that the original annual operating permit must be included in the permit fee for the initial installation of the elevator. Annual operating permits must be issued at 12-month intervals from the date of the initial annual operating permit. For each subsequent year, an owner must be granted an annual operating permit for the elevator upon the owner's or owner's agent's submission of a form prescribed by the commissioner and payment of the \$100 fee. Each form must include the location of the elevator, the results of any periodic test required by the code, and any other criteria established by rule. An annual operating permit may be revoked by the commissioner upon an audit of the periodic testing results submitted with the application or a failure to comply with elevator code requirements, inspections, or any other law related to elevators. Except for an initial operating permit fee, hand-powered manlifts and electric endless belt manlifts, and vertical reciprocating conveyors are not subject to a subsequent operating permit fee.

(b) All elevators are subject to periodic inspections by the department or a municipality authorized by subdivision 4 to perform periodic inspections, except that hand-powered manlifts and electric endless belt manlifts are exempt from periodic inspections. Periodic inspections by the department shall be performed at the following intervals:

- (1) a special purpose personnel elevator is subject to inspection not more than once every five years;
- (2) an elevator located within a house of worship that does not have attached school facilities is subject to inspection not more than once every three years; and
- (3) all other elevators are subject to inspection not more than once each year.

Sec. 26. Minnesota Statutes 2012, section 326B.187, is amended to read:

326B.187 RULES.

The commissioner may adopt rules for the following purposes:

- (1) to establish minimum qualifications for elevator inspectors that must include possession of a current elevator constructor ~~electrician's~~ license issued by the department and proof of successful completion of the national elevator industry education program examination or equivalent experience;
- (2) to establish minimum qualifications for limited elevator inspectors;
- (3) to establish criteria for the qualifications of elevator contractors;
- (4) to establish elevator standards under sections 326B.106, subdivisions 1 and 3, and 326B.13;
- (5) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators; and
- (6) to establish requirements for the registration of all elevators.

Sec. 27. Minnesota Statutes 2012, section 326B.31, is amended by adding a subdivision to read:

Subd. 26a. **Request for inspection.** "Request for inspection" means the application for and issuance of a permit for an electrical installation that is required to be inspected under section 326B.36.

Sec. 28. Minnesota Statutes 2012, section 326B.33, subdivision 19, is amended to read:

Subd. 19. License, registration, and renewal fees; expiration. (a) Unless revoked or suspended under this chapter, all licenses issued or renewed under this section expire on the date specified in this subdivision. Master licenses expire March 1 of each odd-numbered year after issuance or renewal. Electrical contractor licenses expire March 1 of each even-numbered year after issuance or renewal. Technology system contractor and satellite system contractor licenses expire August 1 of each even-numbered year after issuance or renewal. All other personal licenses expire two years from the date of original issuance and every two years thereafter. Registrations of unlicensed individuals expire one year from the date of original issuance and every year thereafter.

(b) For purposes of calculating license fees and renewal license fees required under section 326B.092:

- (1) the registration of an unlicensed individual under subdivision 12 shall be considered an entry level license;

(2) the following licenses shall be considered journeyman licenses: Class A journeyman electrician, Class B journeyman electrician, Class A installer, Class B installer, ~~elevator constructor~~, lineman, maintenance electrician, satellite system installer, and power limited technician;

(3) the following licenses shall be considered master licenses: Class A master electrician, and Class B master electrician, ~~and master elevator constructor~~; and

(4) the following licenses shall be considered business licenses: Class A electrical contractor, Class B electrical contractor, ~~elevator contractor~~, satellite system contractor, and technology systems contractor.

(c) For each filing of a certificate of responsible person by an employer, the fee is \$100.

Sec. 29. Minnesota Statutes 2012, section 326B.33, subdivision 21, is amended to read:

Subd. 21. **Exemptions from licensing.** (a) An individual who is a maintenance electrician is not required to hold or obtain a license under sections 326B.31 to 326B.399 if:

(1) the individual is engaged in the maintenance and repair of electrical equipment, apparatus, and facilities that are owned or leased by the individual's employer and that are located within the limits of property operated, maintained, and either owned or leased by the individual's employer;

(2) the individual is supervised by:

(i) the responsible master electrician for a contractor who has contracted with the individual's employer to provide services for which a contractor's license is required; or

(ii) a licensed master electrician, a licensed maintenance electrician, an electrical engineer, or, if the maintenance and repair work is limited to technology circuits or systems work, a licensed power limited technician; and

(3) the individual's employer has on file with the commissioner a current certificate of responsible person, signed by the responsible master electrician of the contractor, the licensed master electrician, the licensed maintenance electrician, the electrical engineer, or the licensed power limited technician, and stating that the person signing the certificate is responsible for ensuring that the maintenance and repair work performed by the employer's employees complies with the Minnesota Electrical Act and the rules adopted under that act. The employer must pay a filing fee to file a certificate of responsible person with the commissioner. The certificate shall expire two years from the date of filing. In order to maintain a current certificate of responsible person, the employer must resubmit a certificate of responsible person, with a filing fee, no later than two years from the date of the previous submittal.

(b) Employees of a licensed electrical or technology systems contractor or other employer where provided with supervision by a master electrician in accordance with subdivision 1, or power limited technician in accordance with subdivision 7, paragraph (a), clause (1), are not required to hold a license under sections 326B.31 to 326B.399 for the planning, laying out, installing, altering, and repairing of technology circuits or systems except planning, laying out, or installing:

(1) in other than residential dwellings, class 2 or class 3 remote control circuits that control circuits or systems other than class 2 or class 3, except circuits that interconnect these systems through communication, alarm, and security systems are exempted from this paragraph;

(2) class 2 or class 3 circuits in electrical cabinets, enclosures, or devices containing physically unprotected circuits other than class 2 or class 3; or

(3) technology circuits or systems in hazardous classified locations as covered by chapter 5 of the National Electrical Code.

(c) Companies and their employees that plan, lay out, install, alter, or repair class 2 and class 3 remote control wiring associated with plug or cord and plug connected appliances other than security or fire alarm systems installed in a residential dwelling are not required to hold a license under sections 326B.31 to 326B.399.

(d) Heating, ventilating, air conditioning, and refrigeration contractors and their employees are not required to hold or obtain a license under sections 326B.31 to 326B.399 when performing heating, ventilating, air conditioning, or refrigeration work as described in section 326B.38.

(e) Employees of any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or a telephone company as defined under section 237.01 or its employees, or of any independent contractor performing work on behalf of any such utility, cable communications company, or telephone company, shall not be required to hold a license under sections 326B.31 to 326B.399:

(1) while performing work on installations, materials, or equipment which are owned or leased, and operated and maintained by such utility, cable communications company, or telephone company in the exercise of its utility, antenna, or telephone function, and which

(i) are used exclusively for the generation, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence and do not have as a principal function the consumption or use of electric current or provided service by or for the benefit of any person other than such utility, cable communications company, or telephone company, and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction, and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(2) while performing work on installations, materials, or equipment which are a part of the street lighting operations of such utility; or

(3) while installing or performing work on outdoor area lights which are directly connected to a utility's distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction.

(f) An owner shall not be required to hold or obtain a license under sections 326B.31 to 326B.399.

(g) Companies and their employees licensed under section 326B.164 shall not be required to hold or obtain a license under sections 326B.31 to 326B.399.

Sec. 30. Minnesota Statutes 2012, section 326B.36, subdivision 7, is amended to read:

Subd. 7. **Exemptions from inspections.** Installations, materials, or equipment shall not be subject to inspection under sections 326B.31 to 326B.399:

(1) when owned or leased, operated and maintained by any employer whose maintenance electricians are exempt from licensing under sections 326B.31 to 326B.399, while performing electrical maintenance work only as defined by rule;

(2) when owned or leased, and operated and maintained by any electrical, communications, or railway utility, cable communications company as defined in section 238.02, or telephone company as defined under section 237.01, in the exercise of its utility, antenna, or telephone function; and

(i) are used exclusively for the generations, transformation, distribution, transmission, or metering of electric current, or the operation of railway signals, or the transmission of intelligence, and do not have as a principal function the consumption or use of electric current by or for the benefit of any person other than such utility, cable communications company, or telephone company; and

(ii) are generally accessible only to employees of such utility, cable communications company, or telephone company or persons acting under its control or direction; and

(iii) are not on the load side of the service point or point of entrance for communication systems;

(3) when used in the street lighting operations of an electrical utility;

(4) when used as outdoor area lights which are owned and operated by an electrical utility and which are connected directly to its distribution system and located upon the utility's distribution poles, and which are generally accessible only to employees of such utility or persons acting under its control or direction;

(5) when the installation, material, and equipment are in facilities subject to the jurisdiction of the federal Mine Safety and Health Act; or

(6) when the installation, material, and equipment is part of an elevator installation for which the elevator contractor, licensed under section ~~326B.33~~ 326B.164, is required to obtain a permit from the authority having jurisdiction as provided by section 326B.184, and the inspection has been or will be performed by an elevator inspector certified and licensed by the department. This exemption shall apply only to installations, material, and equipment permitted or required to be connected on the load side of the disconnecting means required for elevator equipment under National Electrical Code Article 620, and elevator communications and alarm systems within the machine room, car, hoistway, or elevator lobby.

Sec. 31. Minnesota Statutes 2012, section 326B.37, is amended by adding a subdivision to read:

Subd. 15. Utility interconnected wind generation installations. (a) Fees associated with utility interconnected generation installations consisting of one or more generator sources interconnected with a utility power system and not supplying other premises loads are calculated according to paragraph (b) or (c).

(b) The inspection fee is calculated according to subdivisions 2, 3, 4, and 6, paragraphs (d), (f), (j), and (k). A fee must be included for the generators and utility interconnect feeders, but not for a utility service.

(c) There is a plan review fee and an inspection fee for the entire electrical installation. The plan review fee is based on the valuation of the electrical installation related to one of the generator systems that is part of the overall installation, not to include the supporting tower or other nonelectrical equipment or structures, calculated according to section 326B.153, subdivision 2. The inspection fee is \$80 for each individual tower, including any voltage matching transformers located at the tower, and the fee for the feeders interconnecting the individual towers to the utility power system is calculated according to subdivisions 4 and 6, paragraph (k).

Sec. 32. Minnesota Statutes 2012, section 326B.43, subdivision 2, is amended to read:

Subd. 2. **Agreement with municipality.** The commissioner may enter into an agreement with a municipality, in which the municipality agrees to perform plan and specification reviews required to be performed by the commissioner under Minnesota Rules, part 4715.3130, if:

(a) the municipality has adopted:

(1) the plumbing code;

(2) an ordinance that requires plumbing plans and specifications to be submitted to, reviewed, and approved by the municipality, except as provided in paragraph (n);

(3) an ordinance that authorizes the municipality to perform inspections required by the plumbing code; and

(4) an ordinance that authorizes the municipality to enforce the plumbing code in its entirety, except as provided in paragraph (p);

(b) the municipality agrees to review plumbing plans and specifications for all construction for which the plumbing code requires the review of plumbing plans and specifications, except as provided in paragraph (n);

(c) the municipality agrees that, when it reviews plumbing plans and specifications under paragraph (b), the review will:

(1) reflect the degree to which the plans and specifications affect the public health and conform to the provisions of the plumbing code;

(2) ensure that there is no physical connection between water supply systems that are safe for domestic use and those that are unsafe for domestic use; and

(3) ensure that there is no apparatus through which unsafe water may be discharged or drawn into a safe water supply system;

(d) the municipality agrees to perform all inspections required by the plumbing code in connection with projects for which the municipality reviews plumbing plans and specifications under paragraph (b);

(e) the commissioner determines that the individuals who will conduct the inspections and the plumbing plan and specification reviews for the municipality do not have any conflict of interest in conducting the inspections and the plan and specification reviews;

(f) individuals who will conduct the plumbing plan and specification reviews for the municipality are:

(1) licensed master plumbers;

(2) licensed professional engineers; or

(3) individuals who are working under the supervision of a licensed professional engineer or licensed master plumber and who are licensed master or journeyman plumbers or hold a postsecondary degree in engineering;

(g) individuals who will conduct the plumbing plan and specification reviews for the municipality have passed a competency assessment required by the commissioner to assess the individual's competency at reviewing plumbing plans and specifications;

(h) individuals who will conduct the plumbing inspections for the municipality are licensed master or journeyman plumbers, or inspectors meeting the competency requirements established in rules adopted under section 326B.135;

(i) the municipality agrees to enforce in its entirety the plumbing code on all projects, except as provided in paragraph (p);

(j) the municipality agrees to keep official records of all documents received, including plans, specifications, surveys, and plot plans, and of all plan reviews, permits and certificates issued, reports of inspections, and notices issued in connection with plumbing inspections and the review of plumbing plans and specifications;

(k) the municipality agrees to maintain the records described in paragraph (j) in the official records of the municipality for the period required for the retention of public records under section 138.17, and shall make these records readily available for review at the request of the commissioner;

(l) the municipality and the commissioner agree that if at any time during the agreement the municipality does not have in effect the plumbing code or any of ordinances described in paragraph (a), or if the commissioner determines that the municipality is not properly administering and enforcing the plumbing code or is otherwise not complying with the agreement:

(1) the commissioner may, effective 14 days after the municipality's receipt of written notice, terminate the agreement;

(2) the municipality may challenge the termination in a contested case before the commissioner pursuant to the Administrative Procedure Act; and

(3) while any challenge is pending under clause (2), the commissioner shall perform plan and specification reviews within the municipality under Minnesota Rules, part 4715.3130;

(m) the municipality and the commissioner agree that the municipality may terminate the agreement with or without cause on 90 days' written notice to the commissioner;

(n) the municipality and the commissioner agree that the municipality shall forward to the state for review all plumbing plans and specifications for the following types of projects within the municipality:

(1) ~~hospitals, nursing homes, supervised living facilities licensed for eight or more individuals, and similar health care related facilities regulated by the Minnesota Department of Health~~ state-licensed facilities as defined in section 326B.103, subdivision 13;

(2) ~~buildings owned by the federal or state government~~ public buildings as defined in section 326B.103, subdivision 11; and

(3) projects of a special nature for which department review is requested by either the municipality or the state;

(o) where the municipality forwards to the state for review plumbing plans and specifications, as provided in paragraph (n), the municipality shall not collect any fee for plan review, and the commissioner shall collect all applicable fees for plan review; and

(p) no municipality shall revoke, suspend, or place restrictions on any plumbing license issued by the state.

Sec. 33. Minnesota Statutes 2012, section 326B.49, subdivision 2, is amended to read:

Subd. 2. **Fees for plan reviews and audits.** Plumbing system plans and specifications that are submitted to the commissioner for review shall be accompanied by the appropriate plan examination fees. If the commissioner determines, upon review of the plans, that inadequate fees were paid, the necessary additional fees shall be paid prior to plan approval. The commissioner shall charge the following fees for plan reviews and audits of plumbing installations for public, commercial, and industrial buildings:

- (1) systems with both water distribution and drain, waste, and vent systems and having:
 - (i) 25 or fewer drainage fixture units, \$150;
 - (ii) 26 to 50 drainage fixture units, \$250;
 - (iii) 51 to 150 drainage fixture units, \$350;
 - (iv) 151 to 249 drainage fixture units, \$500;
 - (v) 250 or more drainage fixture units, \$3 per drainage fixture unit to a maximum of \$4,000; and
 - (vi) interceptors, separators, or catch basins, \$70 per interceptor, separator, or catch basin design;
- (2) building sewer service only, \$150;
- (3) building water service only, \$150;
- (4) building water distribution system only, no drainage system, \$5 per supply fixture unit or \$150, whichever is greater;
- (5) storm drainage system, a minimum fee of \$150 or:
 - (i) \$50 per drain opening, up to a maximum of \$500; and
 - (ii) \$70 per interceptor, separator, or catch basin design;
- (6) manufactured home park or campground, one to 25 sites, \$300;
- (7) manufactured home park or campground, 26 to 50 sites, \$350;
- (8) manufactured home park or campground, 51 to 125 sites, \$400;
- (9) manufactured home park or campground, more than 125 sites, \$500; and
- ~~(10) accelerated review, double the regular fee, one half to be refunded if no response from the commissioner within 15 business days; and~~
- ~~(11)~~ (10) revision to previously reviewed or incomplete plans:
 - (i) review of plans for which the commissioner has issued two or more requests for additional information, per review, \$100 or ten percent of the original fee, whichever is greater;

(ii) proposer-requested revision with no increase in project scope, \$50 or ten percent of original fee, whichever is greater; and

(iii) proposer-requested revision with an increase in project scope, \$50 plus the difference between the original project fee and the revised project fee.

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

Sec. 34. Minnesota Statutes 2012, section 326B.49, subdivision 3, is amended to read:

Subd. 3. **Inspection Permits; fees.** ~~The commissioner shall charge the following fees for inspections under sections 326B.42 to 326B.49:~~

Residential inspection fee (each visit)	\$50
Public, Commercial, and Industrial Inspections	Inspection Fee
25 or fewer drainage fixture units	\$300
26 to 50 drainage fixture units	\$900
51 to 150 drainage fixture units	\$1,200
151 to 249 drainage fixture units	\$1,500
250 or more drainage fixture units	\$1,800
Callback fee (each visit)	\$100

(a) Before commencement of a plumbing installation to be inspected by the commissioner, the plumbing contractor or registered plumbing employer performing the plumbing work must submit to the commissioner an application for a permit and the permit and inspection fees in paragraphs (b) to (f).

(b) The permit fee is \$100.

(c) The residential inspection fee is \$50 for each inspection trip.

(d) The public, commercial, and industrial inspection fees are as follows:

(1) for systems with water distribution, drain, waste, and vent system connection:

(i) \$25 for each fixture, permanently connected appliance, floor drain, or other appurtenance;

(ii) \$25 for each water conditioning, water treatment, or water filtration system; and

(iii) \$25 for each interceptor, separator, catch basin, or manhole;

(2) roof drains, \$25 for each drain;

(3) building sewer service only, \$100;

(4) building water service only, \$100;

(5) building water distribution system only, no drainage system, \$5 for each fixture supplied;

(6) storm drainage system, a minimum fee of \$25 for each drain opening, interceptor, separator, or catch basin;

(7) manufactured home park or campground, \$25 for each site;

(8) reinspection fee to verify corrections, regardless of the total fee submitted, \$100 for each reinspection; and

(9) each \$100 in fees paid covers one inspection trip.

(e) In addition to the fees in paragraph (c), the fee submitter must pay an hourly rate of \$80 during regular business hours, or \$120 when inspections are requested to be performed outside of normal work hours or on weekends and holidays, with a two-hour minimum where the fee submitter requests inspections of installations as systems are being installed.

(f) The fee submitter must pay a fee equal to two hours at the hourly rate of \$80 when inspections scheduled by the submitter are not able to be completed because the work is not complete.

Sec. 35. Minnesota Statutes 2012, section 326B.89, subdivision 1, is amended to read:

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

(b) "Gross annual receipts" means the total amount derived from residential contracting or residential remodeling activities, regardless of where the activities are performed, and must not be reduced by costs of goods sold, expenses, losses, or any other amount.

(c) "Licensee" means a person licensed as a residential contractor or residential remodeler.

(d) "Residential real estate" means a new or existing building constructed for habitation by one to four families, and includes detached garages.

(e) "Fund" means the contractor recovery fund.

(f) "Owner" when used in connection with real property, means a person who has any legal or equitable interest in real property and includes a condominium or townhome association that owns common property located in a condominium building or townhome building or an associated detached garage. Owner does not include any real estate developer or any owner using, or intending to use, the property for a business purpose and not as owner-occupied residential real estate.

Sec. 36. Minnesota Statutes 2012, section 327B.04, subdivision 4, is amended to read:

Subd. 4. **License prerequisites.** No application shall be granted nor license issued until the applicant proves to the commissioner that:

(a) the applicant has a permanent, established place of business at each licensed location. An "established place of business" means a permanent enclosed building other than a residence, or a commercial office space, either owned by the applicant or leased by the applicant for a term of at least one year, located in an area where zoning regulations allow commercial activity, and where the books, records and files necessary to conduct the business are kept and maintained. The owner of a licensed manufactured home park who resides in or adjacent to the park may use the residence as the established place of business required by this subdivision, unless prohibited by local zoning ordinance.

If a license is granted, the licensee may use unimproved lots and premises for sale, storage, and display of manufactured homes, if the licensee first notifies the commissioner in writing;

(b) if the applicant desires to sell, solicit or advertise the sale of new manufactured homes, it has a bona fide contract or franchise in effect with a manufacturer or distributor of the new manufactured home it proposes to deal in;

(c) the applicant has secured: (1) a surety bond in the amount of \$20,000 for each agency and each subagency location that bears the applicant's name and the name under which the applicant will be licensed and do business in this state. Each bond is for the protection of consumer customers, and must be executed by the applicant as principal and issued by a surety company admitted to do business in this state. Each bond shall be exclusively for the purpose of reimbursing consumer customers and shall be conditioned upon the faithful compliance by the applicant with all of the laws and rules of this state pertaining to the applicant's business as a dealer or manufacturer, including sections 325D.44, 325F.67 and 325F.69, and upon the applicant's faithful performance of all its legal obligations to consumer customers; and (2) a certificate of liability insurance in the amount of \$1,000,000 that provides aggregate coverage for the agency and each subagency location. In the event of a policy cancellation, the insurer shall send written notice to the commissioner at the same time that a cancellation request is received from or a notice is sent to the insured;

(d) the applicant has established a trust account as required by section 327B.08, subdivision 3, unless the applicant states in writing its intention to limit its business to selling, offering for sale, soliciting or advertising the sale of new manufactured homes; and

(e) the applicant has provided evidence of having had at least two years' prior experience in the sale of manufactured homes, working for a licensed dealer. The applicant does not have to satisfy the two-year prior experience requirement if:

(1) the applicant sells or brokers used manufactured homes as permitted under section 327B.01, subdivision 7; or

(2) the applicant:

(i) has met all other licensing requirements;

(ii) is the owner of a manufactured home park; and

(iii) is selling new manufactured homes installed in the manufactured home park that the applicant owns.

Sec. 37. Minnesota Statutes 2012, section 341.21, subdivision 3a, is amended to read:

Subd. 3a. **Commissioner.** "Commissioner" means the commissioner of labor and industry or a duly designated representative of the commissioner who is either an employee of the Department of Labor and Industry or a person working under contract with the department.

Sec. 38. Minnesota Statutes 2012, section 341.221, is amended to read:

341.221 ADVISORY COUNCIL.

(a) The commissioner must appoint a Combative Sports Advisory Council to advise the commissioner on the administration of duties under this chapter.

(b) The council shall have nine members appointed by the commissioner. One member must be a retired judge of the Minnesota District Court, Minnesota Court of Appeals, Minnesota Supreme Court, the United States District Court for the District of Minnesota, or the Eighth Circuit Court of Appeals. At least four members must have knowledge of the boxing industry. At least four members must have knowledge of the mixed martial arts industry. The commissioner shall make serious efforts to appoint qualified women to serve on the council.

(c) Council members shall serve terms of four years with the terms ending on the first Monday in January.

(d) The council shall annually elect from its membership a chair.

(e) ~~The commissioner shall convene the first meeting of the council by July 1, 2012. The council shall elect a chair at its first meeting.~~ Thereafter, Meetings shall be convened by the commissioner, or by the chair with the approval of the commissioner.

(f) ~~For the first appointments to the council, the commissioner shall appoint the members currently serving on the Combative Sports Commission established under section 341.22, to the council.~~ The commissioner shall designate two of the members to serve until the first Monday in January 2013; two members to serve until the first Monday in January 2014; two members to serve until the first Monday in January 2015; and three members to serve until the first Monday in January 2016.

(g) Removal of members, filling of vacancies, and compensation of members shall be as provided in section 15.059.

Sec. 39. Minnesota Statutes 2012, section 341.27, is amended to read:

341.27 COMMISSIONER DUTIES.

The commissioner shall:

- (1) issue, deny, renew, suspend, or revoke licenses;
- (2) make and maintain records of its acts and proceedings including the issuance, denial, renewal, suspension, or revocation of licenses;
- (3) keep public records of the council open to inspection at all reasonable times;
- (4) develop rules to be implemented under this chapter;
- (5) conform to the rules adopted under this chapter;
- (6) develop policies and procedures for regulating boxing and mixed martial arts; ~~and~~
- (7) immediately suspend an individual license for a medical condition, including but not limited to a medical condition resulting from an injury sustained during a match, bout, or contest that has been confirmed by the ringside physician. The medical suspension must be lifted after the commissioner receives written information from a physician licensed in the home state of the licensee indicating that the combatant may resume competition, and any other information that the commissioner may by rule require. Medical suspensions are not subject to section ~~214.10-~~ 326B.082 or the contested case procedures provided in sections 14.57 to 14.69; and

(8) immediately suspend an individual combatant license for a mandatory rest period, which must commence at the conclusion of every combative sports contest in which the license holder competes and does not receive a medical suspension. A rest suspension must automatically lift after seven calendar days from the date the combative sports contest passed without notice or additional proceedings. Rest suspensions are not subject to section 326B.082 or the contested case procedures provided in sections 14.57 to 14.69.

Sec. 40. Minnesota Statutes 2012, section 341.29, is amended to read:

341.29 JURISDICTION OF COMMISSIONER.

The commissioner shall:

- (1) have sole direction, supervision, regulation, control, and jurisdiction over all combative sport contests that are held within this state unless a contest is exempt from the application of this chapter under federal law;

(2) have sole control, authority, and jurisdiction over all licenses required by this chapter; ~~and~~

(3) grant a license to an applicant if, in the judgment of the commissioner, the financial responsibility, experience, character, and general fitness of the applicant are consistent with the public interest, convenience, or necessity and the best interests of combative sports and conforms with this chapter and the commissioner's rules; and

(4) deny, suspend, or revoke a license using the enforcement provisions of section 326B.082.

Sec. 41. Minnesota Statutes 2012, section 341.30, subdivision 4, is amended to read:

Subd. 4. **Prelicensure requirements.** (a) Before the commissioner issues a license to a promoter, corporation, or other business entity, the applicant shall:

(1) provide the commissioner with a copy of any agreement between a combatant and the applicant that binds the applicant to pay the combatant a certain fixed fee or percentage of the gate receipts;

(2) show on the application the owner or owners of the applicant entity and the percentage of interest held by each owner holding a 25 percent or more interest in the applicant;

(3) provide the commissioner with a copy of the latest financial statement of the entity; and

(4) provide the commissioner with a copy or other proof acceptable to the commissioner of the insurance contract or policy required by this chapter.

(b) Before the commissioner issues a license to a promoter, the applicant shall deposit with the commissioner a cash bond or surety bond in an amount set by the commissioner, which must not be less than \$10,000. The bond shall be executed in favor of this state and shall be conditioned on the faithful performance by the promoter of the promoter's obligations under this chapter and the rules adopted under it. An applicant for a license as a promoter and licensed promoters shall submit an application for each event a minimum of six weeks before the combative sport contest is scheduled to occur.

(c) Before the commissioner issues a license to a combatant, the applicant shall submit to the commissioner:

(1) a mixed martial arts combatant national identification number or federal boxing identification number that is unique to the applicant, or both; and

(2) the results of a current medical examination on forms furnished or approved by the commissioner. The medical examination must include an ophthalmological and neurological examination, and documentation of test results for HBV, HCV, and HIV, and any other blood test as the commissioner by rule may require. The ophthalmological examination must be designed to detect any retinal defects or other damage or condition of the eye that could be aggravated by combative sports. The neurological examination must include an electroencephalogram or medically superior test if the combatant has been knocked unconscious in a previous contest. The commissioner may also order an electroencephalogram or other appropriate neurological or physical examination before any contest if it determines that the examination is desirable to protect the health of the combatant. The commissioner shall not issue a license to an applicant submitting positive test results for HBV, HCV, or HIV.

Sec. 42. Minnesota Statutes 2012, section 341.32, subdivision 2, is amended to read:

Subd. 2. **Expiration and renewal.** ~~A license issued after July 1, 2007, is valid for one year from the date it is issued and~~ Licenses expire annually on December 31, and may be renewed by filing an application for renewal with the commissioner and payment of the license fees established in section 341.321. An application for a license and

renewal of a license must be on a form provided by the commissioner. There is a 30-day grace period during which a license may be renewed if a late filing penalty fee equal to the license fee is submitted with the regular license fee. A licensee that files late shall not conduct any activity regulated by this chapter until the commissioner has renewed the license. If the licensee fails to apply to the commissioner within the 30-day grace period, the licensee must apply for a new license under subdivision 1.

Sec. 43. Minnesota Statutes 2012, section 341.321, is amended to read:

341.321 FEE SCHEDULE.

(a) The fee schedule for professional licenses issued by the commissioner is as follows:

- (1) referees, ~~\$45~~ \$80 for each initial license and each renewal;
- (2) promoters, ~~\$400~~ \$700 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$45~~ \$80 for each initial license and each renewal;
- (4) trainers, ~~\$45~~ \$80 for each initial license and each renewal;
- (5) ring announcers, ~~\$45~~ \$80 for each initial license and each renewal;
- (6) seconds, ~~\$45~~ \$80 for each initial license and each renewal;
- (7) timekeepers, ~~\$45~~ \$80 for each initial license and each renewal;
- (8) combatants, ~~\$45~~ \$120 for each initial license and each renewal;
- (9) managers, ~~\$45~~ \$80 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$45~~ \$80 for each initial license and each renewal.

In addition to the license fee and the late filing penalty fee in section 341.32, subdivision 2, if applicable, an individual who applies for a professional license on the same day the combative sporting event is held shall pay a late fee of \$100 plus the original license fee of ~~\$45~~ \$120 at the time the application is submitted.

(b) The fee schedule for amateur licenses issued by the commissioner is as follows:

- (1) referees, ~~\$45~~ \$80 for each initial license and each renewal;
- (2) promoters, ~~\$400~~ \$700 for each initial license and each renewal;
- (3) judges and knockdown judges, ~~\$45~~ \$80 for each initial license and each renewal;
- (4) trainers, ~~\$45~~ \$80 for each initial license and each renewal;
- (5) ring announcers, ~~\$45~~ \$80 for each initial license and each renewal;
- (6) seconds, ~~\$45~~ \$80 for each initial license and each renewal;
- (7) timekeepers, ~~\$45~~ \$80 for each initial license and each renewal;

- (8) combatant, ~~\$25~~ \$60 for each initial license and each renewal;
- (9) managers, ~~\$45~~ \$80 for each initial license and each renewal; and
- (10) ringside physicians, ~~\$45~~ \$80 for each initial license and each renewal.

(c) The commissioner shall establish a contest fee for each combative sport contest. The professional combative sport contest fee is \$1,500 per event or not more than four percent of the gross ticket sales, whichever is greater, as determined by the commissioner when the combative sport contest is scheduled, ~~except that~~ the amateur combative sport contest fee shall be ~~\$500~~ \$1,500 or not more than four percent of the gross ticket sales, whichever is greater. The commissioner shall consider the size and type of venue when establishing a contest fee. The commissioner may establish the maximum number of complimentary tickets allowed for each event by rule. A professional or amateur combative sport contest fee is nonrefundable.

(d) All fees and penalties collected by the commissioner must be deposited in the commissioner account in the special revenue fund.

Sec. 44. **JOB-BASED EDUCATION AND APPRENTICESHIP PROGRAM (JEAP) FOR MANUFACTURING INDUSTRIES.**

Subdivision 1. **Creation.** The commissioner of labor and industry, in collaboration with the Board of Trustees of the Minnesota State Colleges and Universities (MnSCU) and employers, shall develop JEAP for manufacturing industries that integrates academic instruction and job-related learning in the workplace and through MnSCU institutions. The commissioner shall actively recruit participants in JEAP, through the Web-based hub created in subdivision 4 and other means, from the following groups: secondary and postsecondary school systems; individuals with disabilities; dislocated workers; retired and disabled veterans; individuals enrolled in MFIP under Minnesota Statutes, chapter 256J; minorities; previously incarcerated individuals; individuals residing in labor surplus areas as defined by the United States Department of Labor; and any other disadvantaged group as determined by the commissioner.

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

(b) "Board of Trustees of the Minnesota State Colleges and Universities" has the meaning given in Minnesota Statutes, section 136F.01.

(c) "Commissioner" means the commissioner of labor and industry.

(d) "Employer" means a skilled manufacturing employer within the state who enters into the agreements with MnSCU and the commissioner of labor under subdivisions 4 to 6.

(e) "Hub" or "the hub" means the Web-based listing of skilled manufacturing jobs under subdivision 3.

(f) "MnSCU institution" means the local college or university providing instruction to the participant.

(g) "Participant" means an employee who:

(1) enters into a JEAP participation agreement under subdivision 6; and

(2) is successfully admitted to a MnSCU institution, if applicable.

(h) "Related instruction" means classroom instruction or technical or vocational training required to perform the duties of the skilled manufacturing job.

(i) "Skilled manufacturing" means occupations in manufacturing industry sectors 31 to 33 as defined by the North American Industry Classification System (NAICS).

Subd. 3. Job-seekers hub. (a) The commissioner shall develop a centralized Web-based skilled manufacturing job-seekers hub that matches the needs of employers with job seekers.

(b) An employer may advertise a JEAP or other job opportunity on the hub if the employer:

(1) collaborates with a MnSCU institution to assist with the development of any necessary classroom instruction or technical or vocational training that may be required to perform the duties of the skilled manufacturing job;

(2) collaborates with the commissioner of labor and industry to create a JEAP under subdivision 4;

(3) abides by the terms of the JEAP employer agreement under subdivision 4; and

(4) employs the participant under the terms of a JEAP participation agreement under subdivision 5 for the duration of the modified apprenticeship program and, assuming successful completion, makes reasonable efforts to continue to employ the participant as a regular employee.

(c) Job seekers seeking skilled manufacturing jobs advertised on the hub agree to abide by the terms of the JEAP participation agreement under subdivision 5.

(d) The Board of Trustees of MnSCU and MnSCU institutions shall provide information for the hub describing the related instruction component of JEAP through data exchange.

Subd. 4. JEAP employer agreement. (a) The commissioner, eligible employer, and MnSCU institution shall enter into a JEAP employer agreement that is specific to the identified manufacturing training needs of an employer.

(b) The agreement must contain the following:

(1) the name of the employer;

(2) a statement showing the number of hours to be spent by a participant in work and the number of hours to be spent, if any, in concurrent, supplementary instruction in related subjects. The maximum number of hours of work per week, not including time spent in related instruction, for any participant shall not exceed either the number prescribed by law or the customary regular number of hours per week for the employees of the company by which the participant is employed. A participant may be allowed to work overtime provided that the overtime work does not conflict with supplementary instruction course attendance. All time spent by the participant in excess of the number of hours of work per week as specified in the JEAP participation agreement shall be considered overtime;

(3) a statement showing the schedule of wages that a participant will earn, including a probationary period, if any;

(4) an explanation of how the employer agreement or participant agreement may be terminated;

(5) a statement setting forth a schedule of the processes in the occupation in which the participant is to be trained and the approximate time to be spent at each process;

(6) a statement by the MnSCU institution and the employer describing the related instruction that will be offered, if any, under subdivision 6, paragraph (c); and

(7) any other provision the commissioner deems necessary to carry out the purposes of this section.

Subd. 5. JEAP participation agreement. (a) The commissioner, the prospective participant, and the employer shall enter into a JEAP participation agreement that is specific to the manufacturing training to be provided to the participant.

(b) The participation agreement must contain the following:

(1) the name of the employer;

(2) the name of the participant;

(3) a statement setting forth a schedule of the processes of the occupation in which the participant is to be trained and the approximate time to be spent at each process;

(4) a description of any related instruction;

(5) a statement showing the number of hours to be spent by a participant in work and the number of hours to be spent, if any, in concurrent, supplementary instruction in related subjects. The maximum number of hours of work per week, not including time spent in related instruction, for any participant shall not exceed either the number prescribed by law or the customary regular number of hours per week for the employees of the company by which the participant is employed. A participant may be allowed to work overtime provided that the overtime work does not conflict with supplementary instruction course attendance. All time spent by the participant in excess of the number of hours of work per week as specified in the JEAP participation agreement shall be considered overtime;

(6) a statement showing the schedule of wages that a participant will earn, including a probationary period, if any; and

(7) an explanation of how the parties may terminate the participation agreement.

(c) If a JEAP participation agreement meets the requirements of Minnesota Statutes, section 178.07, the commissioner may approve the participation agreement as an apprenticeship agreement.

(d) The commissioner may periodically review the adherence to the terms of the JEAP participation agreement. If the commissioner determines that an employer or participant has failed to comply with the terms of a participation agreement, the commissioner shall terminate the participation agreement.

Subd. 6. MnSCU instruction. (a) MnSCU institutions shall collaborate with employers to provide related instruction which the employer deems necessary to instruct participants of JEAP. The related instruction provided must be, for the purposes of this section, career-level, as negotiated by the commissioner and the MnSCU institution. The related instruction may be for credit or noncredit, and credit earned may be transferable to a degree program, as determined by the MnSCU institution.

(b) The commissioner, in conjunction with the MnSCU institution, shall issue a certificate of completion to a participant who completes all required components of the JEAP participation agreement.

(c) As part of the JEAP, an employer shall collaborate with a MnSCU institution for any related instruction required to perform the skilled manufacturing job. The employer agreement shall include:

(1) a detailed explanation of the related instruction; and

(2) the number of hours of related instruction needed to receive a certificate of completion.

(d) Before entering into a JEAP participation agreement under subdivision 6, a prospective participant must enroll in the MnSCU institution at which the required instruction will occur. Acceptance into JEAP does not guarantee enrollment as a degree-seeking student in good standing at a MnSCU institution. The MnSCU institution may modify admission procedures and requirements for participants applying for JEAP under this section.

Subd. 7. **Expiration.** JEAP does not expire unless jointly agreed to by both the Board of Trustees of MnSCU and the commissioner.

Sec. 45. **IMPLEMENTATION; REPORT.**

The commissioner shall implement JEAP for manufacturing industries under Minnesota Statutes, section 178A.10, at Century College, Alexandria Technical and Community College, Hennepin Technical College, and Central Lakes College. By January 15, 2015, the commissioner and the Board of Trustees of MnSCU, in conjunction with each MnSCU institution listed in this section, shall report to the legislative committees with jurisdiction over jobs. The report must address the progress and success of the implementation of JEAP at each individual MnSCU institution listed in this section. The report must give recommendations on where JEAP should next be implemented, taking into consideration all current and potential manufacturing training providers available.

Sec. 46. **REPEALER.**

(a) Minnesota Statutes 2012, sections 326B.31, subdivisions 18, 19, and 22; and 326B.978, subdivision 4, are repealed.

(b) Minnesota Rules, parts 1307.0032; 3800.3520, subpart 5, items C and D; and 3800.3602, subpart 2, item B, subitems (5) and (6), are repealed.

ARTICLE 3

EMPLOYMENT, ECONOMIC DEVELOPMENT, AND WORKFORCE DEVELOPMENT

Section 1. **[116J.013] COST-OF-LIVING STUDY; ANNUAL REPORT.**

(a) The commissioner shall conduct an annual cost-of-living study in Minnesota. The study shall include:

(1) a calculation of the statewide basic needs cost of living, adjusted for family size;

(2) a calculation of the basic needs cost of living, adjusted for family size, for each county;

(3) an analysis of statewide and county cost-of-living data, employment data, and job vacancy data; and

(4) recommendations to aid in the assessment of employment and economic development planning needs throughout the state.

(b) The commissioner shall report on the cost-of-living study and recommendations by February 1 of each year to the governor and to the chairs of the standing committees of the house of representatives and the senate having jurisdiction over employment and economic development issues.

Sec. 2. **[116J.4011] LABOR MARKET INFORMATION DATA PRODUCTION REQUIREMENT.**

(a) As part of the commissioner's obligation under section 116J.401, the commissioner must, in collaboration with the Office of Higher Education and local workforce center boards, publish labor market analysis supply and demand reports, statewide and by region. The supply and demand reports must:

- (1) identify the state and regional industry sectors and occupations with the highest current and projected job growth;
- (2) identify top job vacancies by state and regional industry sectors and occupations;
- (3) provide information on the education attainment of the current state and regional workforce;
- (4) identify the expected number of graduates in industry-recognized credential and degree programs by career field;
- (5) identify the completion rate and average debt per student of industry-recognized credential and degree programs by career field;
- (6) identify higher education institutions offering industry-recognized credential and degree programs in high job-growth career fields;
- (7) make projections on future state and regional job growth by education level; and
- (8) utilize employer surveys to identify the credentials and skills needed for employment in high job-growth occupations.

(b) The statewide report and regional reports shall each present side-by-side comparisons of:

- (1) new job growth and total job openings by education level compared with educational attainment levels of current workforce;
- (2) current and projected top high-growth, high-pay industries by number of new jobs and median salaries compared with top annual graduates by major or credential; and
- (3) top job vacancies requiring some postsecondary credential. Each of these vacancies should be directly linked to information about what credentials are required, where in the state and region those credentials can be obtained, the completion and credential attainment rate of each of those credential programs, the average debt per student who attains each credential, and median wages for the job vacancy.

(c) Reports required by this section must be regularly reviewed by regional employers and educators to ensure accuracy.

(d) Reports required by this section must be easily accessible, easily readable, and prominently presented on the Department of Employment and Economic Development Web site and Web sites of workforce centers.

Sec. 3. Minnesota Statutes 2012, section 116J.8731, subdivision 2, is amended to read:

Subd. 2. **Administration.** Except as otherwise provided in this section, the commissioner shall administer the fund as part of the Small Cities Development Block Grant Program; and funds shall be made available to local communities and recognized Indian tribal governments in accordance with the rules adopted for economic development grants in the small cities community development block grant program, ~~except that~~. All units of general purpose local government are eligible applicants for Minnesota investment funds. The commissioner may

provide forgivable loans directly to a private enterprise and not require a local community or recognized Indian tribal government application other than a resolution supporting the assistance. Eligible applicants for the state-funded portion of the fund also include development authorities as defined in section 116J.552, subdivision 4, provided that the governing body of the municipality approves, by resolution, the application of the development authority. The commissioner may also make funds available within the department for eligible expenditures under subdivision 3, clause (2). A home rule charter or statutory city, county, or town may loan or grant money received from repayment of funds awarded under this section to a regional development commission, other regional entity, or statewide community capital fund as determined by the commissioner, to capitalize or to provide the local match required for capitalization of a regional or statewide revolving loan fund.

Sec. 4. Minnesota Statutes 2012, section 116J.8731, subdivision 3, is amended to read:

Subd. 3. **Eligible expenditures.** The money appropriated for this section may be used to:

(1) fund loans or grants for infrastructure, loans, loan guarantees, interest buy-downs, and other forms of participation with private sources of financing, provided that a loan to a private enterprise must be for a principal amount not to exceed one-half of the cost of the project for which financing is sought;

(2) fund strategic investments in renewable energy market development, such as low interest loans for renewable energy equipment manufacturing, training grants to support renewable energy workforce, development of a renewable energy supply chain that represents and strengthens the industry throughout the state, and external marketing to garner more national and international investment into Minnesota's renewable sector. Expenditures in external marketing for renewable energy market development are not subject to the limitations in clause (1); and

(3) provide private entrepreneurs with training, other technical assistance, and financial assistance, as provided in the small cities development block grant program.

Sec. 5. Minnesota Statutes 2012, section 116J.8731, subdivision 8, is amended to read:

Subd. 8. **Disaster contingency account; repayments.** There is created a Minnesota investment fund disaster contingency account in the special revenue fund. Repayment of loan amounts to the local government unit or development authority under this section shall be forwarded to the commissioner and deposited in the disaster contingency account in the Minnesota investment fund to be appropriated by law for future disaster relief.

Sec. 6. Minnesota Statutes 2012, section 116J.8731, subdivision 9, is amended to read:

Subd. 9. **Requirements for assistance.** (a) All awards under section 12A.07 are subject to the ~~following~~ requirements in this subdivision.

~~(a) Eligible applicants include the following:~~

(b) Eligible applicants are subject to the following requirements:

(1) Applicants may be any business or nonprofit organization in the area included in the disaster declaration that was directly and adversely affected by the disaster. This includes: businesses, cooperatives, utilities, industrial, commercial, retail, and nonprofit organizations, including those nonprofits that provide residential, health care, child care, social, or other services on behalf of the Department of Human Services to residents included in the disaster area.

(2) Business applicants must be organized as a proprietorship, partnership, LLC, or a corporation.

(3) Applicants must have been in operation before the date of the disaster.

~~(b) Eligible activities.~~ (c) Loan funds may be used to assist businesses only in their recovery efforts but are not available to provide relief from economic losses.

~~(c) Eligible costs.~~ (d) Eligible costs may include the following: repair of buildings, leasehold improvements, fixtures and/or equipment, loss of inventory, and cleanup costs.

~~(d)~~ (e) Ineligible activities include all of the following:

(1) ~~Ineligible applicants.~~ Any applicants not meeting the eligibility requirements outlined in this subdivision are ineligible to receive recovery loan funds.

(2) ~~Ineligible activities.~~ Funds may not be used for lending or investment operations, land speculation, or any activity deemed illegal by federal, state, or local law or ordinance.

(3) ~~Ineligible costs.~~ Ineligible costs include but are not limited to: economic injury losses, relocation, management fees, financing costs, franchise fees, debt consolidation, moving costs, refinancing debt existing prior to the date of the disaster, and operating costs.

~~(e)~~ (f) Loan application:

~~(1) Application process.~~ All parties seeking recovery loan funds must file an application with the local unit of government or development authority. Small Business Administration (SBA) application forms may be used. Applications must be transmitted in the form and manner prescribed by the commissioner.

~~(f) Application information.~~ (g) Only completed applications will be reviewed for consideration. Submittal of the following information constitutes a complete application:

- (1) Minnesota investment fund recovery loan fund application;
- (2) business SBA disaster application, if applicable;
- (3) regional development organization or responsible local government application, if applicable;
- (4) administrative contact;
- (5) business release for local government to review SBA damage assessment/loss verification, if applicable;
- (6) proof of loss statement from insurer;
- (7) construction cost estimates;
- (8) invoices for work completed;
- (9) quotes for equipment;
- (10) proposed security;
- (11) company historical financial statements for the 24 months immediately prior to the application date;
- (12) credit check release;

(13) number of jobs to be retained;

(14) wages paid;

(15) amount of loan request;

(16) documentation of damages incurred;

(17) property taxes paid and current;

(18) judgments, liens, agreements, consent decrees, stipulations for settlements, or other such actions which would prevent the applicant from participating in any program administered by the responsible local, state, or regional government;

(19) compliance with all applicable local ordinances and plans;

(20) documentation through financial and tax records that the business was a viable operating entity at the time of the flood;

(21) business tax identification number; and

(22) other documentation as requested.

~~(g)~~ (h) Incomplete applications will be assigned pending status and the applicant will be informed in writing of the missing documentation.

~~(h) Determination of eligibility.~~ (i) Applicant eligibility will be determined using criteria enumerated in paragraph ~~(a)~~ (b). A credit check for the company and each of its principal owners may be conducted. An owner's encumbrance report will be completed by the Recorder's Office.

(j) A grant recipient is eligible for assistance provided under this section only after the recipient has claimed all applicable private insurance and the recipient has utilized all other sources of applicable assistance available under the act appropriating funding for the grant.

Sec. 7. **[116J.8748] MINNESOTA JOB CREATION FUND.**

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

(b) "Agreement" or "business subsidy agreement" means a business subsidy agreement under section 116J.994 that must include, but is not limited to: specification of the duration of the agreement, job goals and a timeline for achieving those goals over the duration of the agreement, construction and other investment goals and a timeline for achieving those goals over the duration of the agreement, and the value of benefits the firm may receive following achievement of construction and employment goals. The local government and business must report to the commissioner on the business performance using the forms developed by the commissioner.

(c) "Business" means an individual, corporation, partnership, limited liability company, association, or other entity.

(d) "Capital investment" means money that is expended for the purpose of building or improving real fixed property where employees under paragraphs (g) and (h) are or will be employed and also includes construction materials, services, and supplies.

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

(f) "Minnesota job creation fund business" means a business that is designated by the commissioner under subdivision 3.

(g) "New full-time employee" means an employee who:

(1) begins work at a Minnesota job creation fund business facility noted in a business subsidy agreement and following the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually.

(h) "Retained job" means a full-time position:

(1) that existed at the facility prior to the designation as a job creation fund business; and

(2) has expected work hours of at least 2,080 hours annually.

(i) "Wages" has the meaning given in section 290.92, subdivision 1, clause (1).

Subd. 2. **Application.** (a) In order to qualify for designation as a Minnesota job creation fund business under subdivision 3, a business must submit an application to the local government entity where the facility is or will be located.

(b) A local government must submit the business application along with other application materials to the commissioner for approval.

(c) The applications required under paragraphs (a) and (b) must be in the form and be made under the procedures specified by the commissioner.

Subd. 3. **Minnesota job creation fund business designation; requirements.** (a) To receive designation as a Minnesota job creation fund business, a business must satisfy all of the following conditions:

(1) the business is or will be engaged in, within Minnesota, one of the following as its primary business activity:

(i) manufacturing;

(ii) warehousing;

(iii) distribution;

(iv) information technology;

(v) finance;

(vi) insurance; or

(vii) professional or technical services;

(2) the business must not be primarily engaged in lobbying, gambling, entertainment, professional sports, political consulting, leisure, hospitality, or professional services provided by attorneys, accountants, business consultants, physicians, or health care consultants, or primarily engaged in making retail sales to purchasers who are physically present at the business's location;

(3) the business must enter into a binding construction and job creation business subsidy agreement with the commissioner to expend at least \$500,000 in capital investment in a construction project that includes a new, expanded, or remodeled facility within one year following designation as a Minnesota job creation fund business and:

(i) create at least ten new full-time employee positions within two years of the benefit date following the designation as a Minnesota job creation fund business; or

(ii) expend at least \$25,000,000 in capital investment and retain at least 50 employees;

(4) positions or employees moved or relocated from another Minnesota location of the Minnesota job creation fund business must not be included in any calculation or determination of job creation or new positions under this paragraph; and

(5) a Minnesota job creation fund business must not terminate, lay off, or reduce the working hours of an employee for the purpose of hiring an individual to satisfy job creation goals under this subdivision.

(b) Prior to approving the proposed designation of a business under this subdivision, the commissioner shall consider the following:

(1) the economic outlook of the industry in which the business engages;

(2) the projected sales of the business that will be generated from outside the state of Minnesota;

(3) how the business will build on existing regional, national, and international strengths to diversify the state's economy;

(4) whether the business activity would occur without financial assistance;

(5) whether the business is unable to expand at an existing Minnesota operation due to facility or land limitations;

(6) whether the business has viable location options outside Minnesota;

(7) the effect of financial assistance on industry competitors in Minnesota;

(8) financial contributions to the project made by local governments; and

(9) any other criteria the commissioner deems necessary.

(c) Upon receiving notification of local approval under subdivision 2, the commissioner shall review the determination by the local government and consider the conditions listed in paragraphs (a) and (b) to determine whether it is in the best interests of the state and local area to designate a business as a Minnesota job creation fund business.

(d) If the commissioner designates a business as a Minnesota job creation fund business, the business subsidy agreement shall include the performance outcome commitments and the expected financial value of any Minnesota job creation fund benefits.

(e) The commissioner may amend an agreement once, upon request of a local government on behalf of a business, only if the performance is expected to exceed thresholds stated in the original agreement.

(f) A business may apply to be designated as a Minnesota job creation fund business at the same location more than once only if all goals under a previous Minnesota job creation fund agreement have been met and the agreement is completed.

Subd. 4. Certification; benefits. (a) The commissioner may certify a Minnesota job creation fund business as eligible to receive a specific value of benefit under paragraphs (b) and (c) when the business has achieved its job creation and construction goals noted in its agreement under subdivision 3.

(b) A qualified Minnesota job creation fund business may be certified eligible for the benefits in this paragraph for up to five years for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and seven years for projects located outside the metropolitan area, as determined by the commissioner when considering the best interests of the state and local area. The eligibility for the following benefits begins the date the commissioner certifies the business as a qualified Minnesota job creation fund business under this subdivision:

(1) up to five percent rebate for projects located in the metropolitan area as defined in section 200.02, subdivision 24, and 7.5 percent for projects located outside the metropolitan area, on capital investment on qualifying purchases as provided in subdivision 5 with the total rebate for a project not to exceed \$500,000;

(2) an award of up to \$500,000 based on full-time job creation and wages paid as provided in subdivision 6 with the total award not to exceed \$500,000;

(3) up to \$1,000,000 in capital investment rebates and \$1,000,000 in job creation awards for projects that have at least \$25,000,000 in capital investment and 200 new employees; and

(4) up to \$1,000,000 in capital investment rebates for projects that have at least \$25,000,000 in capital investment and 50 retained employees.

(c) The job creation award may be provided in multiple years as long as the qualified Minnesota job creation fund business continues to meet the job creation goals provided for in its agreement under subdivision 3 and the total award does not exceed \$500,000 except as provided under paragraph (b), clauses (3) and (4).

(d) No rebates or award may be provided until the Minnesota job creation fund business has at least \$500,000 in capital investment in the project and at least ten full-time jobs have been created and maintained for at least one year or the retained employees, as provided in paragraph (b), clause (4), remain for at least one year. The agreement may require additional performance outcomes that need to be achieved before rebates and awards are provided. If fewer retained jobs are maintained, but still above the minimum under this subdivision, the capital investment award shall be reduced on a proportionate basis.

(e) The forms needed to be submitted to document performance by the Minnesota job creation fund business must be in the form and be made under the procedures specified by the commissioner. The forms shall include documentation and certification by the business that it is in compliance with the business subsidy agreement, sections 116J.871 and 116L.66, and other provisions as specified by the commissioner.

(f) Minnesota job creation fund businesses must pay each new full-time employee added pursuant to the agreement total compensation, including benefits not mandated by law, that on an annualized basis is equal to at least 110 percent of the federal poverty level for a family of four.

(g) A Minnesota job creation fund business must demonstrate reasonable progress on its capital investment expenditures within six months following designation as a Minnesota job creation fund business to ensure that the capital investment goal in the agreement under subdivision 1 will be met. The commissioner may determine that a business not making reasonable progress will not be eligible for benefits under the submitted application and will

need to work with the local government unit to submit a new application and request to be a Minnesota job creation fund business. Notwithstanding any six-month goals noted in its agreement under subdivision 1, this action shall not be considered a default of the business subsidy agreement.

Subd. 5. **Capital investment rebate.** (a) A qualified Minnesota job creation fund business is eligible for a rebate on the purchase and use of construction materials, services, and supplies used for or consumed in the construction project as described in the goals under the agreement provided under subdivision 1, paragraph (b).

(b) The rebate under this subdivision applies regardless of whether the purchases are made by the qualified Minnesota job creation fund business or a contractor hired to perform work or provide services at the qualified Minnesota job creation fund business location.

(c) Minnesota job creation fund businesses seeking the rebate for capital investment provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner of each department.

Subd. 6. **Job creation award.** (a) A qualified Minnesota job creation fund business is eligible for an annual award for each new job created and maintained by the business using the following schedule: \$1,000 for each job position paying annual wages at least \$26,000 but less than \$35,000; \$2,000 for each job position paying at least \$35,000 but less than \$45,000; and \$3,000 for each job position paying at least \$45,000; and as noted in the goals under the agreement provided under subdivision 1.

(b) The job creation award schedule must be adjusted annually using the percentage increase in the federal poverty level for a family of four.

(c) Minnesota job creation fund businesses seeking an award credit provided under subdivision 4 must submit forms and applications to the Department of Employment and Economic Development as prescribed by the commissioner.

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

Sec. 8. **[116J.9661] TRADE POLICY ADVISORY GROUP.**

Subdivision 1. **Establishment.** A trade policy advisory group is established to advise and assist the governor and the legislature regarding government procurement agreements of United States trade agreements.

Subd. 2. **Membership.** (a) The trade policy advisory group shall be appointed by the governor and comprised of 12 members as follows:

- (1) two representatives of organized labor;
- (2) a representative of an organization representing environmental interests;
- (3) a representative of organizations representing family farmers;
- (4) two representatives from business and industry;
- (5) a representative of a nonprofit organization focused on international trade and development;
- (6) the commissioner of employment and economic development or the commissioner's designee;

(7) two senators, including one member from the majority party and one member from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the senate; and

(8) two members of the house of representatives, including one member appointed by the speaker of the house and one member appointed by the minority leader.

(b) Members of the trade policy advisory group shall serve for a term of two years and may be reappointed. Members shall serve until their successors have been appointed.

(c) The trade policy advisory group may invite representatives from other state agencies, industries, trade and labor organizations, nongovernmental organizations, and local governments to join the group as nonvoting ex officio members.

Subd. 3. **Administration.** (a) The commissioner of employment and economic development or the commissioner's designee shall:

(1) coordinate with the other appointing authorities to designate their representatives; and

(2) provide meeting space and administrative services for the group.

(b) The members shall elect a chair from the legislative members of the working group. The chair will assume responsibility for convening future meetings of the group.

(c) Public members of the advisory group serve without compensation or payment of expenses.

Subd. 4. **Duties.** The trade policy advisory group shall:

(1) serve as an advisory group to the governor and the legislature on matters relating to government procurement agreements of United States trade agreements;

(2) assess the potential impact of government procurement agreements on the state's economy;

(3) advise the governor and the legislature of the group's findings and make recommendations, including any draft legislation necessary to implement the recommendations, to the governor and the legislature;

(4) determine, on a case-by-case basis, the impact of a specific government procurement agreement by requesting input from state agencies, seeking expert advice, convening public hearings, and taking other reasonable and appropriate actions;

(5) provide advice on other issues related to trade agreements other than government procurement agreements when specifically requested by the governor or the legislature;

(6) request information from the Office of the United States Trade Representative necessary to conduct an appropriate review of government procurement agreements or other trade issues as directed by the governor or the legislature; and

(7) receive information obtained by the United States Trade Representative's single point of contact for Minnesota.

Subd. 5. **Report.** The trade policy advisory group shall issue a report to the legislature with its findings and recommendations no less than once per fiscal year.

Sec. 9. **[116J.978] MINNESOTA TRADE OFFICES IN FOREIGN MARKETS.**

(a) The commissioner of employment and economic development shall establish three new Minnesota Trade Offices in key foreign markets selected for their potential to increase Minnesota exports and attract foreign direct investment.

(b) The commissioner shall establish a performance rating system for the new offices established under this section and create specific annual goals for the offices to meet. The commissioner shall monitor activities of the office, including, but not limited to, the number of inquiries and projects received and completed, meetings arranged between Minnesota companies and potential investors, distributors, or customers, and agreements signed.

Sec. 10. **[116J.979] MINNESOTA STEP GRANTS.**

Subdivision 1. Establishment. The commissioner of employment and economic development shall create a State Trade and Export Promotion grants program, hereafter STEP grants, to provide financial and technical assistance to eligible Minnesota small businesses with an active interest in exporting products or services to foreign markets.

Subd. 2. Grants. Recipients may apply, on an application devised by the commissioner, for up to \$7,500 in reimbursement for approved export-development activities, including, but not limited to:

- (1) participation in trade missions;
- (2) export training;
- (3) exhibition at trade shows or industry-specific events;
- (4) translation of marketing materials;
- (5) development of foreign language Web sites, Gold Key, or other business matchmaking services;
- (6) company-specific international sales activities; and
- (7) testing and certification required to sell products in foreign markets.

Sec. 11. **[116J.9801] INVEST MINNESOTA.**

The commissioner shall establish the Invest Minnesota marketing initiative. This initiative must focus on branding the state's economic development initiatives and promoting Minnesota business opportunities. The initiative may include measures to communicate the benefits of doing business in Minnesota to companies considering relocating, establishing a United States presence, or expanding.

Sec. 12. **[116L.191] WORKFORCE CENTER; CREDENTIAL ASSISTANCE.**

(a) The commissioner shall provide at local workforce centers services that assist individuals in identifying and obtaining industry-recognized credentials for jobs, particularly jobs in high demand. The workforce centers must consult and cooperate with training institutions, particularly postsecondary institutions, to identify credential programs to individuals.

(b) Each workforce center shall provide information under section 116J.4011, paragraph (b), clause (3), linked as a shortcut from the desktop of each workforce center computer and available in hard copy. Prominent signs should be posted in workforce centers directing individuals to where they can find a list of top job vacancies and related credential information.

Sec. 13. Minnesota Statutes 2012, section 116U.26, is amended to read:

116U.26 FILM PRODUCTION JOBS PROGRAM.

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

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

(b) For the purposes of this section:

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

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

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

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

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

(v) editing and related services;

(vi) rental of facilities and equipment; ~~or~~

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

(viii) above-the-line talent fees for nonresident talent; or

(ix) costs incurred during postproduction; and

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

(c) Notwithstanding any other law to the contrary, the Minnesota Film and TV Board may make reimbursements of: (1) up to ~~20~~ 25 percent of ~~film~~ production costs for films that locate production outside the metropolitan area, as defined in section 473.121, subdivision 2, or that incur production costs in excess of \$5,000,000 ~~in the metropolitan area~~ within a 12-month period; or (2) up to ~~15~~ 20 percent of ~~film~~ production costs for films that incur production costs of \$5,000,000 or less in the metropolitan area within a 12-month period.

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

Sec. 14. Minnesota Statutes 2012, section 136F.37, is amended to read:

136F.37 JOB PLACEMENT IMPACT ON PROGRAM REVIEW; INFORMATION TO STUDENTS.

Subdivision 1. Colleges; technical occupational program. The board must assess labor market data when conducting college program reviews. Colleges must provide prospective students with the job placement rate for graduates of technical and occupational programs offered at the colleges.

Subd. 2. DEED labor market survey; MnSCU usage and disclosure. The data assessed under subdivision 1 must include labor market data compiled by the Department of Employment and Economic Development under section 116J.4011. The board and its colleges and universities must use this market data when deciding upon course and program offerings. The board must provide a link to this labor market data on its Internet portal.

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

Sec. 15. Minnesota Statutes 2012, section 245.4712, subdivision 1, is amended to read:

Subdivision 1. **Availability of community support services.** (a) County boards must provide or contract for sufficient community support services within the county to meet the needs of adults with serious and persistent mental illness who are residents of the county. Adults may be required to pay a fee according to section 245.481. The community support services program must be designed to improve the ability of adults with serious and persistent mental illness to:

- (1) ~~work in a regular or supported work environment~~ find and maintain competitive employment;
- (2) handle basic activities of daily living;
- (3) participate in leisure time activities;
- (4) set goals and plans; and
- (5) obtain and maintain appropriate living arrangements.

The community support services program must also be designed to reduce the need for and use of more intensive, costly, or restrictive placements both in number of admissions and length of stay.

(b) Community support services are those services that are supportive in nature and not necessarily treatment oriented, and include:

- (1) conducting outreach activities such as home visits, health and wellness checks, and problem solving;
- (2) connecting people to resources to meet their basic needs;

- (3) finding, securing, and supporting people in their housing;
- (4) attaining and maintaining health insurance benefits;
- (5) assisting with job applications, finding and maintaining employment, and securing a stable financial situation;
- (6) fostering social support, including support groups, mentoring, peer support, and other efforts to prevent isolation and promote recovery; and
- (7) educating about mental illness, treatment, and recovery.

(c) Community support services shall use all available funding streams. The county shall maintain the level of expenditures for this program, as required under section 245.4835. County boards must continue to provide funds for those services not covered by other funding streams and to maintain an infrastructure to carry out these services. The county is encouraged to fund evidence-based practices such as individual placement and support supported employment and illness management and recovery.

(d) The commissioner shall collect data on community support services programs, including, but not limited to, demographic information such as age, sex, race, the number of people served, and information related to housing, employment, hospitalization, symptoms, and satisfaction with services.

Sec. 16. Minnesota Statutes 2012, section 268A.13, is amended to read:

268A.13 EMPLOYMENT SUPPORT SERVICES FOR PERSONS WITH MENTAL ILLNESS.

The commissioner of employment and economic development, in cooperation with the commissioner of human services, shall develop a statewide program of grants as outlined in section 268A.14 to provide services for persons with mental illness who want to work in supported employment. Projects funded under this section must: (1) assist persons with mental illness in obtaining and retaining competitive employment; (2) emphasize individual ~~community placements for clients~~ client preferences; (3) ensure interagency collaboration at the local level between vocational rehabilitation field offices, county service agencies, community support programs operating under the authority of section 245.4712, and community rehabilitation providers, in assisting clients; (4) ensure services are integrated with mental health treatment; (5) provide benefits counseling; (6) conduct rapid job search; and (4) (7) involve clients in the planning, development, oversight, and delivery of support services. Project funds may not be used to provide services in segregated settings such as the center-based employment subprograms as defined in section 268A.01.

The commissioner of employment and economic development, in consultation with the commissioner of human services, shall develop a request for proposals which is consistent with the requirements of this section and section 268A.14 and which specifies the types of services that must be provided by grantees. Priority for funding shall be given to organizations ~~with experience in developing innovative employment support services for persons with mental illness~~ carrying out evidence-based practices. Each applicant for funds under this section shall submit an evaluation protocol as part of the grant application.

Sec. 17. Minnesota Statutes 2012, section 268A.14, subdivision 1, is amended to read:

Subdivision 1. **Employment support services and programs.** The commissioner of employment and economic development, in cooperation with the commissioner of human services, shall operate a statewide system to reimburse providers for employment support services for persons with mental illness. The system shall be operated to support employment programs and services where:

(1) services provided are readily accessible to all persons with mental illness who want to work, including rapid competitive job search, so they can make progress toward economic self-sufficiency;

(2) services provided are made an integral part of all mental health treatment and rehabilitation programs for persons with mental illness to ensure that they have the ability and opportunity to consider a variety of work options;

(3) programs help persons with mental illness form long-range plans for employment that fit their skills and abilities by ensuring that ongoing time-unlimited support, crisis management, placement, and career planning services are available;

(4) services provided give persons with mental illness the information needed to make informed choices about employment expectations and options, including information on the types of employment available in the local community, the types of employment services available, the impact of employment on eligibility for governmental benefits, and career options;

(5) programs assess whether persons with mental illness being serviced are satisfied with the services and outcomes. Satisfaction assessments shall address at least whether persons like their jobs, whether quality of life is improved, whether potential for advancement exists, and whether there are adequate support services in place;

(6) programs encourage persons with mental illness being served to be involved in employment support services issues by allowing them to participate in the development of individual rehabilitation plans and to serve on boards, committees, task forces, and review bodies that shape employment services policies and that award grants, and by encouraging and helping them to establish and participate in self-help and consumer advocacy groups;

(7) programs encourage employers to expand employment opportunities for persons with mental illness and, to maximize the hiring of persons with mental illness, educate employers about the needs and abilities of persons with mental illness and the requirements of the Americans with Disabilities Act;

(8) programs encourage persons with mental illness, vocational rehabilitation professionals, and mental health professionals to learn more about current work incentive provisions in governmental benefits programs;

(9) programs establish and maintain linkages with a wide range of other programs and services, including educational programs, housing programs, economic assistance services, community support services, and clinical services to ensure that persons with mental illness can obtain and maintain employment;

(10) programs participate in ongoing training across agencies and service delivery systems so that providers in human services systems understand their respective roles, rules, and responsibilities and understand the options that exist for providing employment and community support services to persons with mental illness; and

(11) programs work with local communities to expand system capacity to provide access to employment services to all persons with mental illness who want them.

Sec. 18. **[383D.412] DAKOTA COUNTY COMMUNITY DEVELOPMENT AGENCY; MINNESOTA INVESTMENT FUND.**

Subdivision 1. Treatment. As long as the conditions set forth in subdivision 2 are met and notwithstanding the provisions of section 116J.8731, the Dakota County Community Development Agency will be treated as if it were a general purpose local governmental unit and may apply for and receive state-funded money from the Minnesota investment fund.

Subd. 2. **Conditions precedent.** Conditions precedent to the treatment of the Dakota County Community Development Agency as a general purpose local governmental unit as described in subdivision 1 are:

(a) the board of commissioners of Dakota County shall have adopted a resolution approving such treatment of the Dakota County Community Development Agency, and such resolution shall be in full force and effect and shall not have been revoked by Dakota County; and

(b) the members of the board of commissioners of Dakota County shall be the same persons as the members of the board of commissioners of the Dakota County Community Development Agency.

Sec. 19. EMPLOYMENT SUPPORT AND INDEPENDENT LIVING SERVICES FOR INDIVIDUALS WITH HIGH-FUNCTIONING AUTISM, ASPERGER'S SYNDROME, NONVERBAL LEARNING DISORDERS, AND PERVASIVE DEVELOPMENT DISORDER, NOT OTHERWISE SPECIFIED; PILOT PROGRAM.

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

(b) "Communication" means the ability to effectively give and receive information through spoken words, writing, speaking, listening, or other means of communication, including but not limited to nonverbal expressions, gestures, or other adaptive methods.

(c) "Functional areas" means communication, interpersonal skills, mobility, self-care, self-direction, preemployment skills, work tolerance, and independent living skills.

(d) "Independent living assessment" means an active, performance-based skill assessment in the functional areas of communication, interpersonal skills, mobility, self-care, self-direction, preemployment skills, and independent living skills, that provides an analysis of the individual's ability to independently achieve certain skills and which is performed through direct observation.

(e) "Interpersonal skills" means the ability to establish and maintain personal, family, work, and community relationships.

(f) "Mobility" means the physical and psychological ability to move about from place to place, including travel to and from destinations in the community for activities of daily living, training, or work.

(g) "Natural supports" means the process of assisting an employer to expand its capacity for training, supervising, and supporting workers with disabilities.

(h) "Ongoing employment support services" means any of the following services:

(1) facilitation of natural supports at the work site;

(2) disability awareness training for the worker, the worker's employer, supervisor, or coworkers;

(3) services necessary to increase the worker's inclusion at the work site;

(4) job skills training at the work site;

(5) regular observation or supervision of the worker;

(6) coordination of support services;

(7) job-related safety training;

(8) job-related advocacy skills training to advance employment;

(9) training in independent living skills and support including self-advocacy, money management and organization, grooming and personal care, communication, interpersonal skills, problem solving, orientation and mobility, and using public transportation or driver's training;

(10) follow-up services necessary to reinforce and stabilize employment, including regular contact with the worker's employer, supervisor or coworkers, parents, family members, advocates, legal representatives, other suitable professionals, and informed advisors;

(11) training in job seeking skills; and

(12) internships or career planning to assist the individual's advancement in meaningful employment.

(i) "Preemployment skills" means the abilities and skills to successfully apply for, secure, and maintain competitive employment.

(j) "Self-care" means skills needed to manage one's self or living environment, including but not limited to money management, personal health care, personal hygiene, and safety needs, including medication management.

(k) "Self-direction" means the ability to plan, initiate, organize, or carry out goal-directed activities or solve problems related to self-care, socialization, recreation, and working independently.

(l) "Severe impairment to employment" means limitations experienced by persons diagnosed with high-functioning autism, Asperger's syndrome, nonverbal learning disorders, or pervasive development disorder, not otherwise specified, due to an extended history of unemployment or underemployment; limited education, training, or job skills; and physical, intellectual, or emotional characteristics that seriously impair the individual's ability to obtain and retain permanent employment.

(m) "Work tolerance" means the ability to effectively and efficiently perform jobs with various levels of sensory and environmental components including scent, noise, visual stimuli, physical space, and psychological demands.

Subd. 2. Employment support plan and outcomes. An individual participating in the program under this section must develop an employment support plan that includes:

(1) employment goals;

(2) ongoing support services;

(3) program outcomes that focus on competitive employment in the community; and

(4) ongoing independent living services and employment supports necessary for the individual to secure, maintain, and advance in employment that best fits the individual's strengths and career goals.

ARTICLE 4 UNEMPLOYMENT INSURANCE

Section 1. Minnesota Statutes 2012, section 116L.17, subdivision 4, is amended to read:

Subd. 4. **Use of funds.** Funds granted by the board under this section may be used for any combination of the following, except as otherwise provided in this section:

(1) employment transition services such as developing readjustment plans for individuals; outreach and intake; early readjustment; job or career counseling; testing; orientation; assessment of skills and aptitudes; provision of occupational and labor market information; job placement assistance; job search; job development; prelayoff assistance; relocation assistance; ~~and~~ programs provided in cooperation with employers or labor organizations to provide early intervention in the event of plant closings or substantial layoffs; and entrepreneurial training and business consulting;

(2) support services, including assistance to help the participant relocate to employ existing skills; out-of-area job search assistance; family care assistance, including child care; commuting assistance; emergency housing and rental assistance; counseling assistance, including personal and financial; health care; emergency health assistance; emergency financial assistance; work-related tools and clothing; and other appropriate support services that enable a person to participate in an employment and training program with the goal of reemployment;

(3) specific, short-term training to help the participant enhance current skills in a similar occupation or industry; entrepreneurial training, customized training, or on-the-job training; basic and remedial education to enhance current skills; and literacy and work-related English training for non-English speakers; and

(4) long-term training in a new occupation or industry, including occupational skills training or customized training in an accredited program recognized by one or more relevant industries. Long-term training shall only be provided to dislocated workers whose skills are obsolete and who have no other transferable skills likely to result in employment at a comparable wage rate. Training shall only be provided for occupations or industries with reasonable expectations of job availability based on the service provider's thorough assessment of local labor market information where the individual currently resides or is willing to relocate. This clause shall not restrict training in personal services or other such industries.

Sec. 2. Minnesota Statutes 2012, section 116L.17, is amended by adding a subdivision to read:

Subd. 11. **Converting layoffs into Minnesota businesses (CLIMB).** Converting layoffs into Minnesota businesses (CLIMB) is created to assist dislocated workers in starting or growing a business. CLIMB must offer entrepreneurial training, business consulting, and technical assistance to dislocated workers seeking to start or grow a business. The commissioner, in cooperation with local workforce councils, must provide the assistance in this subdivision by:

(1) encouraging closer ties between the Small Business Development Center network, Small Business Development Center training providers, and workforce centers, as well as other dislocated worker program service providers; and

(2) eliminating grantee performance data disincentives that would otherwise prevent enrollment of dislocated workers in entrepreneurship-related training.

Sec. 3. Minnesota Statutes 2012, section 268.051, subdivision 5, is amended to read:

Subd. 5. **Tax rate for new employers.** (a) Each new taxpaying employer that does not qualify for an experience rating under subdivision 3, except new employers in a high experience rating industry, must be assigned, for a calendar year, a tax rate the higher of (1) one percent, or (2) the tax rate computed, to the nearest 1/100 of a percent, by dividing the total amount of unemployment benefits paid all applicants during the 48 calendar months ending on June 30 of the prior calendar year by the total taxable wages of all taxpaying employers during the same period, plus the applicable base tax rate and any additional assessments under subdivision 2, paragraph (c).

(b) Each new taxpaying employer in a high experience rating industry that does not qualify for an experience rating under subdivision 3, must be assigned, for a calendar year, a tax rate the higher of (1) that assigned under paragraph (a), or (2) the tax rate, computed to the nearest 1/100 of a percent, by dividing the total amount of

unemployment benefits paid to all applicants from high experience rating industry employers during the 48 calendar months ending on June 30 of the prior calendar year by the total taxable wages of all high experience rating industry employers during the same period, to a maximum provided for under subdivision 3, paragraph (b), plus the applicable base tax rate and any additional assessments under subdivision 2, paragraph (c).

(c) An employer is considered to be in a high experience rating industry if:

(1) the employer is engaged in residential, commercial, or industrial construction, including general contractors;

(2) the employer is engaged in sand, gravel, or limestone mining;

(3) the employer is engaged in the manufacturing of concrete, concrete products, or asphalt; or

(4) the employer is engaged in road building, repair, or resurfacing, including bridge and tunnels and residential and commercial driveways and parking lots.

(d) Regardless of any law to the contrary, a taxpaying employer must be assigned a tax rate under this subdivision if:

~~(1) the employer registers for a tax account under section 268.042 and for each of the five calendar quarters after registering files a "no wages paid" report on wage detail under section 268.044; or had no taxable wages during the experience rating period under subdivision 3.~~

~~(2) the employer has filed 14 consecutive quarterly "no wages paid" reports on wage detail under section 268.044.~~

(e) The commissioner must send to the new employer, by mail or electronic transmission, a determination of tax rate. An employer may appeal the determination of tax rate in accordance with the procedures in subdivision 6, paragraph (c).

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

Sec. 4. Minnesota Statutes 2012, section 268.07, subdivision 3b, is amended to read:

Subd. 3b. **Limitations on applications and benefit accounts.** (a) An application for unemployment benefits is effective the Sunday of the calendar week that the application was filed. An application for unemployment benefits may be backdated one calendar week before the Sunday of the week the application was actually filed if the applicant requests the backdating at the time the application is filed. An application may be backdated only if the applicant ~~had no employment~~ was unemployed during the period of the backdating. If an individual attempted to file an application for unemployment benefits, but was prevented from filing an application by the department, the application is effective the Sunday of the calendar week the individual first attempted to file an application.

(b) A benefit account established under subdivision 2 is effective the date the application for unemployment benefits was effective.

(c) A benefit account, once established, may later be withdrawn only if:

(1) the applicant has not been paid any unemployment benefits on that benefit account; and

(2) a new application for unemployment benefits is filed and a new benefit account is established at the time of the withdrawal.

A determination or amended determination of eligibility or ineligibility issued under section 268.101, that was sent before the withdrawal of the benefit account, remains in effect and is not voided by the withdrawal of the benefit account.

(d) An application for unemployment benefits is not allowed before the Sunday following the expiration of the benefit year on a prior benefit account. Except as allowed under paragraph (c), an applicant may establish only one benefit account each 52 calendar weeks.

Sec. 5. Minnesota Statutes 2012, section 268.125, subdivision 1, is amended to read:

Subdivision 1. **Additional unemployment benefits; when available.** Additional unemployment benefits are available if:

(1) MS 2008 [Expired, 2008 c 300 s 15]

(2)(i) at a facility that had 100 or more employees, the employer reduced operations, resulting within a one-month period in the layoff of 50 percent or more of the facility's work force, including reductions caused as a result of a major natural disaster declared by the president;

(ii) the employer has no expressed plan to resume operations that would lead to the reemployment of those employees in the immediate future; and

(iii) the seasonally adjusted unemployment rate in the county that the facility is located was ten percent or more during the month of the reduction or any of the three months before or after the month of the reduction; or

(3) the applicant stopped working because of a lockout. The term "lockout" has the meaning given in section 179.01, subdivision 9.

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

Sec. 6. Minnesota Statutes 2012, section 268.125, subdivision 3, is amended to read:

Subd. 3. **Eligibility conditions.** (a) An applicant is eligible to receive additional unemployment benefits for any week during the applicant's benefit year if:

~~(1) for any week during which benefits are available under subdivision 1, clause (1):~~

~~(i) the applicant resides in a county that meets the requirements of subdivision 1, clause (1), and resided in that county each week that regular unemployment benefits were paid;~~

~~(ii) the applicant was not paid unemployment benefits for any week in the 12 months before the effective date of the applicant's benefit account;~~

~~(iii) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section 268.069; and~~

~~(iv) MS 2008 [Expired, 2008 c 300 s 17]~~

~~(2) (1) the applicant was laid off from employment as a result of a reduction under subdivision 1, clause (2), or was laid off because of lack of work from that employer during the three-month period before, or the three-month period after, the month of the reduction under subdivision 1, clause (2);~~

~~(3)~~ (2) the applicant meets the same eligibility requirements that are required for regular unemployment benefits under section 268.069;

~~(4)~~ (3) the applicant has exhausted regular unemployment benefits under section 268.07, is not entitled to receive extended unemployment benefits under section 268.115, and is not entitled to receive unemployment benefits under any other state or federal law for that week; and

~~(5)~~ (4) a majority of the applicant's wage credits were from the employer that had a reduction in operations under subdivision 1, clause (2).

(b) An applicant who stopped working because of a lockout is eligible to receive additional unemployment benefits for any week if:

(1) the applicant meets the eligibility requirements under section 268.069;

(2) the applicant has exhausted regular unemployment benefits under section 268.07 or the law of another state;

(3) the applicant is not eligible for extended unemployment benefits or unemployment benefits under any federal law; and

(4) the lockout is in active progress.

Section 268.085, subdivision 1, clause (2), does not apply to this paragraph.

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

Sec. 7. Minnesota Statutes 2012, section 268.125, subdivision 4, is amended to read:

Subd. 4. **Weekly unemployment benefit amount.** An applicant's weekly additional unemployment benefit amount is the same as the applicant's weekly regular unemployment benefit amount ~~during the current benefit year~~ under section 268.07.

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

Sec. 8. Minnesota Statutes 2012, section 268.125, subdivision 5, is amended to read:

Subd. 5. **Maximum amount of unemployment benefits.** (a) For an applicant who qualifies for additional unemployment benefits under subdivision 1, clause (2), the maximum amount of additional unemployment benefits available in the applicant's benefit year is one-half of the applicant's maximum amount of regular unemployment benefits available under section 268.07, subdivision 2. Extended unemployment benefits paid and unemployment benefits paid under any federal law other than regular unemployment benefits must be deducted from the maximum amount of additional unemployment benefits available.

(b) For an applicant who qualifies for additional unemployment benefits under subdivision 1, clause (3), the applicant may receive additional unemployment benefits for up to 156 weeks so long as the lockout is in active progress.

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

Sec. 9. **[268.133] UNEMPLOYMENT BENEFITS WHILE IN ENTREPRENEURIAL TRAINING.**

Unemployment benefits are available to dislocated workers participating in the converting layoffs into Minnesota businesses (CLIMB) program under section 116L.17, subdivision 11. Applicants participating in CLIMB are considered in reemployment assistance training under section 268.035, subdivision 21c. All requirements under section 268.069, subdivision 1, must be met, except the commissioner may waive:

(1) the earnings deductible provisions in section 268.085, subdivision 5; and

(2) the 32 hours of work limitation in section 268.085, subdivision 2, clause (6). A maximum of 500 applicants may receive a waiver at any given time.

Sec. 10. Minnesota Statutes 2012, section 268.136, subdivision 1, is amended to read:

Subdivision 1. **Shared work agreement plan requirements.** (a) An employer may submit a proposed shared work plan for an employee group to the commissioner for approval in a manner and format set by the commissioner. The proposed ~~agreement~~ shared work plan must include:

(1) a certified statement that the normal weekly hours of work of all of the proposed participating employees were full time or regular part time but are now reduced, or will be reduced, with a corresponding reduction in pay, in order to prevent layoffs;

(2) the name and Social Security number of each participating employee;

(3) the number of layoffs that would have occurred absent the employer's ability to participate in a shared work plan;

(4) a certified statement ~~of when that~~ each participating employee was first hired by the employer, which must be at least one year before the proposed ~~agreement~~ shared work plan is submitted and is not a seasonal, temporary, or intermittent worker;

(4) (5) the hours of work each participating employee will work each week for the duration of the ~~agreement~~ shared work plan, which must be at least 20 one-half the normal weekly hours and but no more than 32 hours per week, except that the ~~agreement~~ plan may provide for a uniform vacation shutdown of up to two weeks;

(6) a certified statement that any health benefits and pension benefits provided by the employer to participating employees will continue to be provided under the same terms and conditions as though the participating employees' hours of work each week had not been reduced;

(7) a certified statement that the terms and implementation of the shared work plan is consistent with the employer's obligations under state and federal law;

(8) an acknowledgement that the employer understands that unemployment benefits paid under a shared work plan will be used in computing the future tax rate of a taxpaying employer or charged to the reimbursable account of a nonprofit or government employer;

(5) (9) the proposed duration of the ~~agreement~~ shared work plan, which must be at least two months and not more than one year, although ~~an agreement~~ a plan may be extended for up to an additional year upon approval of the commissioner;

(6) (10) a starting date beginning on a Sunday at least 15 calendar days after the date the proposed ~~agreement~~ shared work plan is submitted; and

~~(7) (11)~~ a signature of an owner or officer of the employer who is listed as an owner or officer on the employer's account under section 268.045.

~~(b) An agreement may not be approved for an employer that:~~

~~(1) has any unemployment tax or reimbursements, including any interest, fees, or penalties, due but unpaid; or~~

~~(2) has the maximum experience rating provided for under section 268.051, subdivision 3.~~

Sec. 11. Minnesota Statutes 2012, section 268.136, subdivision 2, is amended to read:

Subd. 2. **Agreement Approval by commissioner.** (a) The commissioner must promptly review a proposed ~~agreement~~ shared work plan and notify the employer, by mail or electronic transmission, within 15 days of receipt, whether the proposal satisfies the requirements of this section and has been approved. If the proposal does not comply with this section, the commissioner must specifically state why the proposal is not in compliance. If a proposed ~~agreement complies with this section~~ shared work plan has been approved, it must be implemented according to its terms.

(b) The commissioner may ~~reject an agreement~~ not approve a proposed shared work plan if the commissioner has cause to believe the proposal ~~is not~~ was submitted for ~~the a purpose of~~ other than preventing layoffs due to lack of work.

(c) The commissioner may not approve a proposed shared work plan if the employer has any unemployment tax or reimbursements, including any interest, fees, or penalties, due but unpaid.

(d) A shared work plan that has been approved by the commissioner is considered a contract that is binding on the employer and the department. This contract may be canceled or modified under subdivision 5.

Sec. 12. Minnesota Statutes 2012, section 268.136, is amended by adding a subdivision to read:

Subd. 2a. **Notice to participating employee.** The employer must provide written notification to each participating employee that the employer has submitted a proposed shared work plan. The notification must be provided to the employee no later than the time the commissioner notifies the employer that a proposed shared work plan has been approved. The notification must inform the employee of the proposed terms of the shared work plan along with notice to the employee of the employee's right to apply for unemployment benefits.

Sec. 13. Minnesota Statutes 2012, section 268.136, subdivision 3, is amended to read:

Subd. 3. **Applicant requirements.** (a) An applicant, in order to be paid unemployment benefits under this section, must meet all of the requirements under section 268.069, subdivision 1. The following provisions of section 268.085 do not apply to an applicant ~~under this section~~ in an approved shared work plan:

(1) ~~the deductible earnings provision of section 268.085, under~~ subdivision 5;

(2) the restriction under ~~section 268.085, subdivision 6 2, clause (6),~~ if the applicant works exactly 32 hours in a week;

(3) the requirement of being available for suitable employment under subdivision 1, clause (4), but only if the applicant is (i) available for the normal hours of work per week with the shared work employer, or (ii) is in a training program when not working; and

(4) the requirement of actively seeking suitable employment under subdivision 1, clause (5).

(b) An applicant is ineligible for unemployment benefits under this section for any week, if:

~~(1)~~ the applicant works more than 32 hours in a week in employment with one or more employer; ~~or,~~

~~(2) the applicant works more hours in a week for the shared work employer than the reduced weekly hours provided for in the agreement.~~

Sec. 14. Minnesota Statutes 2012, section 268.136, subdivision 4, is amended to read:

Subd. 4. **Amount of unemployment benefits available.** (a) The weekly benefit amount and maximum amount of unemployment benefits available are computed according to section 268.07, except that an applicant is paid the amount of benefits available is a reduced amount in direct proportion to the reduction in hours set out in the shared work plan from the normal weekly hours.

(b) Regardless of paragraph (a), if the applicant works more hours in a week for the shared work employer than the reduced weekly hours provided for in the shared work plan, the amount of unemployment benefits available is a reduced amount in direct proportion to the reduction in hours actually worked from the normal weekly hours.

(c) If an applicant works fewer hours in a week for the shared work employer than set out in the shared work plan, the amount of unemployment benefits are available in accordance with paragraph (a).

Sec. 15. Minnesota Statutes 2012, section 268.136, subdivision 5, is amended to read:

Subd. 5. **Cancellation; modification.** (a) An employer may cancel ~~an agreement~~ a shared work plan at any time upon seven calendar days' notice to the commissioner in a manner and format prescribed by the commissioner. The cancellation must be signed by an owner or officer of the employer.

(b) An employer may request that the commissioner allow modification of the shared work plan as to the hours of work each participating employee will work each week. The request must be sent in a manner and form prescribed by the commissioner. The request must be signed by an owner or officer of the employer. The commissioner must notify the employer as soon as possible if the modification is allowed.

~~(b)~~ (c) An employer that cancels an agreement or requests modification of a shared work plan must provide written notice to each participating employee in the group of the cancellation or requested modification at the time notice is sent to the commissioner.

~~(e)~~ (d) If an employer cancels an agreement a shared work plan before the expiration date provided for in subdivision 1, a new agreement shared work plan may not be entered into with approved for that employer under this section for at least 60 calendar days.

~~(d)~~ (e) The commissioner may immediately cancel any agreement shared work plan if the commissioner determines the agreement plan was based upon false information or the employer is in breach has failed to adhere to the terms of the contract shared work plan. The commissioner must immediately send written notice of cancellation to the employer. An employer that receives notice of cancellation by the commissioner must provide written notice to each participating employer in the group employee of the cancellation.

Sec. 16. Minnesota Statutes 2012, section 268.199, is amended to read:

268.199 CONTINGENT ACCOUNT.

(a) There is created in the state treasury a special account, to be known as the contingent account, ~~that does not lapse nor revert to any other fund or account.~~ This account consists of all money collected under this chapter that is required to be placed in this account and any interest earned on the account. ~~All money in this account is appropriated and available for administration of the Minnesota unemployment insurance program unless otherwise appropriated by session law.~~ The money deposited in the account is transferred to the general fund.

~~(b) All money in this account must be deposited, administered, and disbursed in the same manner and under the same conditions and requirements as is provided by law for the other special accounts in the state treasury.~~

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

Sec. 17. Minnesota Statutes 2012, section 268.23, is amended to read:

268.23 SEVERABLE.

~~In the event that~~ If the United States Department of Labor determines that any provision of the Minnesota Unemployment Insurance Law, ~~or any other provision of Minnesota Statutes relating to the unemployment insurance program,~~ is not in conformity with, or is inconsistent with, the requirements of federal law, the provision has no force or effect; ~~but~~ If only a portion of the provision, or the application to any person or circumstances, is ~~held determined~~ not in conformity, or determined inconsistent, the remainder of the provision and the application of the provision to other persons or circumstances are not affected.

Sec. 18. Laws 2012, chapter 201, article 1, section 3, the effective date, is amended to read:

EFFECTIVE DATE. This section is effective July 1, 2012, except the amendments to paragraph (d) are effective for penalties ~~imposed~~ credited on or after July 1, 2013.

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

Sec. 19. **UNEMPLOYMENT INSURANCE EMPLOYER TAX REDUCTION.**

(a) Notwithstanding Minnesota Statutes, section 268.051, subdivision 2, if, on September 30, 2013, the balance in the Minnesota Unemployment Trust Fund is more than \$800,000,000, the base tax rate for calendar year 2014 is 0.1 percent, and there will be no additional assessment assigned. If, on September 30, 2014, the balance in the Minnesota Unemployment Trust Fund is more than \$900,000,000, the base tax rate for calendar year 2015 is 0.1 percent, and there will be no additional assessment assigned.

(b) This section expires December 31, 2015.

Sec. 20. **COMMISSIONER AUTHORIZED TO REQUEST SHARED WORK FUNDS.**

The commissioner of employment and economic development is authorized to request federal funding for Minnesota's shared work unemployment benefit program under Minnesota Statutes, section 268.136. Federal funding is available under the Middle Class Tax Relief and Job Creation Act of 2012, Public Law 112-96. Federal funding provided under that act for the shared work program must be immediately deposited in the Minnesota Unemployment Insurance Trust Fund. The exception under Minnesota Statutes, section 268.047, subdivision 2, clause (10), does not apply to the federal money.

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

ARTICLE 5
MISCELLANEOUS

Section 1. Minnesota Statutes 2012, section 154.001, is amended by adding a subdivision to read:

Subd. 4. **Comprehensive examination.** "Comprehensive examination" means all parts of a test administered by the board, including but not limited to written, oral, and practical components.

Sec. 2. Minnesota Statutes 2012, section 154.003, is amended to read:

154.003 FEES.

(a) The fees collected, as required in this chapter, chapter 214, and the rules of the board, shall be paid to the board. The board shall deposit the fees in the general fund in the state treasury.

(b) The board shall charge the following fees:

(1) examination and certificate, registered barber, \$85;

(2) retake of written examination, registered barber, \$10;

~~(2)~~ (3) examination and certificate, apprentice, \$80;

(4) retake of written examination, apprentice, \$10;

~~(3)~~ (5) examination, instructor, \$180;

~~(4)~~ (6) certificate, instructor, \$65;

~~(5)~~ (7) temporary teacher or apprentice permit, \$80;

~~(6)~~ (8) renewal of license, registered barber, \$80;

~~(7)~~ (9) renewal of license, apprentice, \$70;

~~(8)~~ (10) renewal of license, instructor, \$80;

~~(9)~~ (11) renewal of temporary teacher permit, \$65;

~~(10)~~ (12) student permit, \$45;

(13) renewal of student permit, \$25;

~~(11)~~ (14) initial shop registration, \$85;

~~(12)~~ (15) initial school registration, \$1,030;

~~(13)~~ (16) renewal shop registration, \$85;

~~(14)~~ (17) renewal school registration, \$280;

(15) (18) restoration of registered barber license, \$95;

(16) (19) restoration of apprentice license, \$90;

(17) (20) restoration of shop registration, \$105;

(18) (21) change of ownership or location, \$55;

(19) (22) duplicate license, \$40; ~~and~~

(20) (23) home study course, ~~\$95~~ \$75;

(24) letter of license verification, \$25; and

(25) reinspection, \$100.

Sec. 3. Minnesota Statutes 2012, section 154.02, is amended to read:

154.02 WHAT CONSTITUTES BARBERING.

Any one or any combination of the following practices when done upon the head and neck for cosmetic purposes and not for the treatment of disease or physical or mental ailments and when done for payment directly or indirectly or without payment for the public generally constitutes the practice of barbering within the meaning of sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26: to shave the face or neck, trim the beard, cut or bob the hair of any person of either sex for compensation or other reward received by the person performing such service or any other person; to give facial and scalp massage or treatments with oils, creams, lotions, or other preparations either by hand or mechanical appliances; to singe, shampoo the hair, or apply hair tonics; or to apply cosmetic preparations, antiseptics, powders, oils, clays, or lotions to hair, scalp, face, or neck.

Sec. 4. Minnesota Statutes 2012, section 154.05, is amended to read:

154.05 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED BARBER.

A person is qualified to receive a certificate of registration as a registered barber:

(1) who is qualified under the provisions of section 154.06;

(2) who has practiced as a registered apprentice for a period of 12 months under the immediate personal supervision of a registered barber; and

(3) who has passed an examination conducted by the board to determine fitness to practice barbering.

An apprentice applicant for a certificate of registration to practice as a registered barber who fails to pass the comprehensive examination conducted by the board and who fails to pass a onetime retake of the written examination, shall continue to practice as an apprentice for an additional ~~two months~~ 300 hours before being ~~again entitled to take eligible to retake the comprehensive examination for a registered barber as many times as necessary to pass.~~

Sec. 5. Minnesota Statutes 2012, section 154.06, is amended to read:

154.06 WHO MAY RECEIVE CERTIFICATES OF REGISTRATION AS A REGISTERED APPRENTICE.

A person is qualified to receive a certificate of registration as a registered apprentice:

(1) who has completed at least ten grades of an approved school;

(2) who has graduated from a barber school approved by ~~the~~ a barber board within the previous four years; and

(3) who has passed an examination conducted by the board to determine fitness to practice as a registered apprentice. An applicant who graduated from a barber school approved by a barber board more than four years prior to application is required to complete a further course of study of at least 500 hours.

An applicant for ~~a~~ an initial certificate of registration to practice as an apprentice, who fails to pass the comprehensive examination conducted by the board, and who fails to pass a onetime retake of the written examination, is required to complete a further course of study of at least 500 hours, of not more than eight hours in any one working day, in a barber school approved by the board before being eligible to retake the comprehensive examination as many times as necessary to pass.

A certificate of registration of an apprentice shall be valid for four years ~~from the date the certificate of registration is issued by the board~~ and shall not be renewed for a fifth year. During the four-year period the certificate of registration shall remain in full force and effect only if the apprentice complies with all the provisions of sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, including the payment of an annual fee, and the rules of the board.

If a registered apprentice, during the term in which the certificate of registration is in effect, enters full-time active duty in the armed forces of the United States of America, the expiration date of the certificate of registration shall be extended by a period of time equal to the period or periods of active duty.

If a registered apprentice graduates from a barber school approved by the board and is issued a certificate of registration while incarcerated by the Department of Corrections of the Federal Bureau of Prisons, the expiration date of the certificate of registration shall be extended one time so that it expires four years from the date of first release from a correctional facility.

Sec. 6. Minnesota Statutes 2012, section 154.065, subdivision 2, is amended to read:

Subd. 2. **Qualifications.** A person is qualified to receive a certificate of registration as an instructor of barbering who:

(1) is a graduate ~~from~~ of an approved high school, or its equivalent, as determined by examination by the Department of Education;

(2) has ~~qualified for a teacher's or instructor's vocational certificate;~~ successfully completed vocational instructor training from a board-approved program or accredited college or university program that includes the following courses or their equivalents as determined by the board:

(i) introduction to career and technical education training;

(ii) philosophy and practice of career and technical education;

(iii) course development for career and technical education;

(iv) instructional methods for career and technical education; and

(v) human relations;

(3) is currently a registered barber and has at least three years experience as a registered barber in this state, or its equivalent as determined by the board; and

(4) has passed an examination conducted by the board to determine fitness to instruct in barbering.

~~A certificate of registration under this section is provisional until a teacher's or instructor's vocational certificate has been issued by the Department of Education. A provisional certificate of registration is valid for 30 days and is not renewable.~~

Sec. 7. Minnesota Statutes 2012, section 154.07, subdivision 1, is amended to read:

Subdivision 1. **Admission requirements; course of instruction.** No barber school shall be approved by the board unless it requires, as a prerequisite to admission, ten grades of an approved school or its equivalent, as determined by an examination conducted by the commissioner of education, which shall issue a certificate that the student has passed the required examination, and unless it requires, as a prerequisite to graduation, a course of instruction of at least 1,500 hours, of not more than eight hours in any one working day. The course of instruction must include the following subjects: scientific fundamentals for barbering; hygiene; practical study of the hair, skin, muscles, and nerves; structure of the head, face, and neck; elementary chemistry relating to sterilization and antiseptics; diseases of the skin, hair, and glands; massaging and manipulating the muscles of the face and neck; haircutting; shaving; trimming the beard; bleaching, tinting and dyeing the hair; and the chemical waving and straightening of hair.

Sec. 8. Minnesota Statutes 2012, section 154.08, is amended to read:

154.08 APPLICATION; FEE.

Each applicant for an examination shall:

(1) make application to the Board of Barber Examiners on blank forms prepared and furnished by it, the application to contain proof under the applicant's oath of the particular qualifications and identity of the applicant;

~~(2) furnish to the board two five inch x three inch signed photographs of the applicant, one to accompany the application and one to be returned to the applicant, to be presented to the board when the applicant appears for examination~~ provide all documentation required in support of the application; and

(3) pay to the board the required fee; and

(4) present a government-issued photo identification as proof of identity upon application and when the applicant appears for examination.

Sec. 9. Minnesota Statutes 2012, section 154.09, is amended to read:

154.09 EXAMINATIONS, CONDUCT AND SCOPE.

The board shall conduct examinations of applicants for certificates of registration to practice as barbers and apprentices not more than six times each year, at such time and place as the board may determine. Additional written examinations may be scheduled by the board and conducted by board staff as designated by the board. The proprietor of a barber school must file an affidavit ~~shall be filed with the board by the proprietor of a barber school~~ that of hours completed by students applying to take the apprentice examination have completed. Students must complete 1,500 hours in a barber school ~~registered with~~ approved by the board.

The examination of applicants for certificates of registration as barbers and apprentices shall include ~~both~~ a practical demonstration and a written and oral test ~~and embrace~~. The examination must cover the subjects usually taught in barber schools registered with the board.

Sec. 10. Minnesota Statutes 2012, section 154.10, subdivision 1, is amended to read:

Subdivision 1. **Application.** Each applicant for an initial certificate of registration shall make application to the board on forms prepared and furnished by the board with proof under oath of the particular qualifications and identity of each applicant. This application shall be accompanied by a fee prescribed by law or the rules of the board to defray the expenses of making investigation and for the examination of such applicant.

Sec. 11. Minnesota Statutes 2012, section 154.11, subdivision 1, is amended to read:

Subdivision 1. **Examination of nonresidents.** A person who meets all of the requirements for barber registration in sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and either has a license, certificate of registration, or an equivalent as a practicing barber or instructor of barbering from another state or country which in the discretion of the board has substantially the same requirements for registering barbers and instructors of barbering as required by sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 or can prove by sworn affidavits practice as a barber or instructor of barbering in another state or country for at least five years immediately prior to making application in this state, shall, upon payment of the required fee, be issued a certificate of registration without examination, ~~provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.~~

Sec. 12. Minnesota Statutes 2012, section 154.12, is amended to read:

154.12 EXAMINATION OF NONRESIDENT APPRENTICES.

A person who meets all of the requirements for registration as a barber in sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26 and who has a license, a certificate of registration, or its equivalent as an apprentice in a state or country which in the discretion of the board has substantially the same requirements for registration as an apprentice as is provided by sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26, shall, upon payment of the required fee, be issued a certificate of registration without examination, ~~provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.~~

Sec. 13. Minnesota Statutes 2012, section 154.14, is amended to read:

154.14 CERTIFICATES OF REGISTRATION AND TEMPORARY PERMITS TO BE DISPLAYED.

Every holder of a certificate of registration as a registered barber or registered apprentice or temporary apprentice permit shall display ~~it~~ the certificate or permit, with a photograph of the certificate or permit holder that meets the same standards as required for a United States passport, in a conspicuous place adjacent to or near the chair where work is performed. Every holder of a certificate of registration as an instructor of barbering or ~~as a barber school~~, of a temporary permit as an instructor of barbering, shall display the certificate or permit, with a photograph of the certificate or permit holder that meets the same standards as required for a United States passport, in a conspicuous place accessible to the public. Every holder of a certificate of registration as a barber school and of a shop registration card shall display it in a conspicuous place accessible to the public.

Sec. 14. Minnesota Statutes 2012, section 154.15, subdivision 2, is amended to read:

Subd. 2. **Effect of failure to renew.** A registered barber or a registered apprentice who has not renewed a certificate of registration may be reinstated within ~~one year~~ four years of such failure to renew without examination upon the payment of the required restoration fee for each year the certificate is lapsed. A registered instructor of barbering who has not renewed a certificate of registration may be reinstated within ~~three~~ four years of such failure to renew without examination upon payment of the required restoration fee for each year the certificate is lapsed. All registered barbers and registered apprentices who allow their certificates of registration to lapse for more than ~~one year~~ four years shall be required to reexamine before being issued a certificate of registration. All registered instructors of barbering who allow their certificates of registration to lapse for more than ~~three~~ four years shall be required to reexamine before being issued a certificate of registration. A barber shop owner who has not renewed the barber shop certificate for more than one year may reinstate the barber shop registration upon payment of the restoration fee for each year the shop card was lapsed. If lapsed or unlicensed status is discovered by the barber inspector during inspection, penalties under section 154.162 shall apply.

Sec. 15. **[154.162] ADMINISTRATIVE PENALTIES.**

The board shall impose and collect the following penalties:

- (1) missing or lapsed shop registration discovered upon inspection; penalty imposed on shop owner: \$500;
- (2) unlicensed or unregistered apprentice or registered barber, first occurrence discovered upon inspection; penalty imposed on shop owner and unlicensed or unregistered individual: \$500; and
- (3) unlicensed or unregistered apprentice or registered barber, second occurrence discovered upon inspection; penalty imposed on shop owner and unlicensed or unregistered individual: \$1,000.

Sec. 16. Minnesota Statutes 2012, section 154.26, is amended to read:

154.26 MUNICIPALITIES MAY REGULATE HOURS; REGULATION AUTHORIZED.

The governing body of any city of this state may regulate by ordinance the opening and closing hours of barber shops within its municipal limits in addition to all other applicable local regulations.

Sec. 17. **[154.27] MISREPRESENTATION.**

No person shall represent themselves to the public, solicit business, advertise as a licensed barber or as operating a licensed barber shop, use the title or designation of barber or barber shop, or engage in any other act or practice that would create the impression to members of the public that the person is a licensed barber or is operating a licensed barber shop unless the person holds the appropriate license under this chapter.

Sec. 18. **[154.28] SYMBOLS; BARBER POLE.**

No person shall place a barber pole in a location that would create or tend to create the impression to the public that the business is a barber shop unless the operator holds a valid license under this chapter. For the purposes of this section, "barber pole" means a red and white or red, white, and blue striped vertical cylinder commonly recognized as a barber pole.

Sec. 19. Minnesota Statutes 2012, section 155A.23, subdivision 3, is amended to read:

Subd. 3. **Cosmetology.** "Cosmetology" is the practice of personal services, for compensation, for the cosmetic care of the hair, nails, and skin. These services include cleaning, conditioning, shaping, reinforcing, coloring and enhancing the body surface in the areas of the head, scalp, face, arms, hands, legs, ~~and~~ feet, and trunk of the body, except where these services are performed by a barber under sections 154.001, 154.002, 154.003, 154.01 to 154.161, 154.19 to 154.21, and 154.24 to 154.26.

Sec. 20. Minnesota Statutes 2012, section 155A.23, subdivision 8, is amended to read:

Subd. 8. **Manager.** A "manager" is any person who conducts, operates, or manages a cosmetology school or salon and who also instructs in or provides any services, as defined in subdivision 3. A school manager must maintain an active salon manager's license.

Sec. 21. Minnesota Statutes 2012, section 155A.23, subdivision 11, is amended to read:

Subd. 11. **Instructor.** An "instructor" is any person employed by a school to prepare and present the theoretical and practical education of cosmetology to persons who seek to practice cosmetology. An instructor must maintain an active operator or manager's license in the area in which the instructor holds an instructor's license.

Sec. 22. Minnesota Statutes 2012, section 155A.25, subdivision 1a, is amended to read:

Subd. 1a. **Schedule.** The fee schedule for licensees is as follows ~~for licenses issued after June 30, 2010, and prior to July 1, 2013:~~

(a) Three-year license fees:

(1) cosmetologist, nail technician manicurist, or esthetician:

(i) \$90 for each initial license and a \$40 nonrefundable initial license application fee, for a total of \$130; and

(ii) \$60 for each renewal and a \$15 nonrefundable renewal application fee, for a total of \$75;

(2) instructor or manager:

(i) \$120 for each initial license and a \$40 nonrefundable initial license application fee, for a total of \$160; and

(ii) \$90 for each renewal and a \$15 nonrefundable renewal application fee, for a total of \$105;

(3) salon:

(i) \$130 for each initial license and a \$100 nonrefundable initial license application fee, for a total of \$230; and

(ii) \$100 for each renewal and a \$50 nonrefundable renewal application fee, for a total of \$150; and

(4) school:

(i) \$1,500 for each initial license and a \$1,000 nonrefundable initial license application fee, for a total of \$2,500; and

(ii) \$1,500 for each renewal and a \$500 nonrefundable renewal application fee, for a total of \$2,000.

(b) Penalties:

- (1) reinspection fee, variable;
 - (2) manager and owner with lapsed practitioner found on inspection, \$150 each;
 - (3) lapsed practitioner or instructor found on inspection, \$200;
 - (4) lapsed salon found on inspection, \$500;
 - (5) lapsed school found on inspection, \$1,000;
 - (6) failure to display current license, \$100;
 - (7) failure to dispose of single-use equipment, implements, or materials as provided under section 155A.355, paragraph (a), \$500;
 - (8) use of prohibited razor-type callus shavers, rasps, or graters under section 155A.355, \$500;
 - (9) performing manicuring or cosmetology services in esthetician salon, or performing esthetician or cosmetology services in manicure salon, \$500;
 - (10) owner and manager allowing an operator to work as an independent contractor, \$200;
 - (11) operator working as an independent contractor, \$100;
 - (12) refusal or failure to cooperate with an inspection, \$500;
 - ~~(3)~~ (13) expired cosmetologist, manicurist, esthetician, manager, school manager, and instructor license, \$45; and
 - ~~(4)~~ (14) expired salon or school license, \$50.
- (c) Administrative fees:
- (1) certificate of identification, \$20;
 - (2) name change, \$20;
 - (3) letter of license verification, \$30;
 - (4) duplicate license, \$20;
 - (5) processing fee, \$10;
 - (6) special event permit, \$75 per year; and
 - (7) registration of hair braiders, \$20 per year.

Sec. 23. Minnesota Statutes 2012, section 155A.25, subdivision 4, is amended to read:

Subd. 4. **License expiration date.** The board shall, in a manner determined by the board and without the need for rulemaking under chapter 14, phase in changes to initial and renewal license expiration dates so that by January 1, 2014:

- (1) individual licenses expire on the last day of the licensee's birth month of the year due; and
- (2) salon and school licenses expire on the last day of the month of initial licensure of the year due.

Sec. 24. Minnesota Statutes 2012, section 155A.27, subdivision 4, is amended to read:

Subd. 4. **Testing.** All theory, practical, and Minnesota law and rule testing must be done by a board-approved provider. Appropriate standardized tests shall be used and shall include subject matter relative to the application of Minnesota law. In every case, the primary consideration shall be to safeguard the health and safety of consumers by determining the competency of the applicants to provide the services indicated.

Sec. 25. Minnesota Statutes 2012, section 155A.27, subdivision 10, is amended to read:

Subd. 10. **Nonresident licenses.** (a) A nonresident cosmetologist, manicurist, or esthetician may be licensed in Minnesota if the individual has completed cosmetology school in a state or country with the same or greater school hour requirements, has an active license in that state or country, and has passed a board-approved theory and practice-based examination, the Minnesota-specific written operator examination for cosmetologist, manicurist, or esthetician. If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources. Licenses shall not be issued under this subdivision for managers or instructors.

(b) If an individual has less than the required number of school hours, the individual must have had a current active license in another state or country for at least three years and have passed a board-approved theory and practice-based examination, or the Minnesota-specific written operator examination for cosmetologist, manicurist, or esthetician. If a test is used to verify the qualifications of trained cosmetologists, the test should be translated into the nonresident's native language within the limits of available resources. Licenses must not be issued under this subdivision for managers or instructors.

(c) Applicants claiming training and experience in a foreign country shall supply official English-language translations of all required documents from a board-approved source.

Sec. 26. Minnesota Statutes 2012, section 155A.29, subdivision 2, is amended to read:

Subd. 2. **Requirements.** (a) The conditions and process by which a salon is licensed shall be established by the board by rule. In addition to those requirements, no license shall be issued unless the board first determines that the conditions in clauses (1) to (5) have been satisfied:

- (1) compliance with all local and state laws, particularly relating to matters of sanitation, health, and safety;
- (2) the employment of a manager, as defined in section 155A.23, subdivision 8;
- ~~(3) inspection and licensing prior to the commencing of business;~~
- ~~(4)~~ (3) if applicable, evidence of compliance with section 176.182; and

~~(5)~~ (4) evidence of continued professional liability insurance coverage of at least \$25,000 for each claim and \$50,000 total coverage for each policy year for each operator.

(b) A licensed esthetician or manicurist who complies with the health, safety, sanitation, inspection, and insurance rules promulgated by the board to operate a salon solely for the performance of those personal services defined in section 155A.23, subdivision 5, in the case of an esthetician, or subdivision 7, in the case of a manicurist.

Sec. 27. Minnesota Statutes 2012, section 155A.30, is amended by adding a subdivision to read:

Subd. 11. Instruction requirements. (a) Instruction may be offered for no more than ten hours per day per student.

(b) Instruction must be given within a licensed school building. Online instruction is permitted for board-approved theory-based classes. Practice-based classes must not be given online.

Sec. 28. **[155A.355] PROHIBITED USES.**

(a) Single-use equipment, implements, or materials that are made or constructed of paper, wood, or other porous materials must only be used for one application or client service. Presence of used articles in the work area is prima facie evidence of reuse. Failure to dispose of the materials in this paragraph is punishable by penalty under section 155A.25, subdivision 1a, paragraph (b), clause (7).

(b) Razor-type callus shavers, rasps, or graters designed and intended to cut growths of skin such as corns and calluses, including but not limited to credo blades, are prohibited. Presence of these articles in the work area is prima facie evidence of use and may be punishable by penalty in section 155A.25, subdivision 1a, paragraph (b), clause (8);

(c) Licenses must not use any of the following substances or products in performing cosmetology services:

(1) methyl methacrylate liquid monomers, also known as MMA; and

(2) fumigants, including but not limited to formalin tablets or formalin liquids.

Sec. 29. **[179.90] OFFICE OF COLLABORATION AND DISPUTE RESOLUTION.**

The commissioner of mediation services shall establish an Office of Collaboration and Dispute Resolution within the bureau. The office must:

(1) promote the broad use of community mediation in the state, ensuring that all areas of the state have access to services by providing grants to private nonprofits entities certified by the state court administrator under chapter 494 that assist in resolution of disputes;

(2) assist state agencies, offices of the executive, legislative, and judicial branches, and units of local government in improving collaboration and dispute resolution;

(3) support collaboration and dispute resolution in the public and private sector by providing technical assistance and information on best practices and new developments in dispute resolution options;

(4) educate the public and governmental entities on dispute resolution options; and

(5) promote and utilize collaborative dispute resolution models and processes based on documented best practices including, but not limited to, the Minnesota Solutions model;

- (i) establishing criteria and procedures for identification and assessment of dispute resolution projects;
- (ii) designating projects and appointing impartial convenors by the commissioner or the commissioner's designee;
- (iii) forming multidisciplinary conflict resolution teams; and
- (iv) utilizing collaborative techniques, processes, and standards through facilitated meetings until consensus among parties is reached in resolving a dispute.

Sec. 30. **[179.91] GRANTS.**

Subdivision 1. **Authority.** The commissioner of mediation services shall to the extent funds are appropriated for this purpose, make grants to private nonprofit community mediation entities certified by the state court administrator under chapter 494 that assist in resolution of disputes. The commissioner shall establish a grant review committee to assist in the review of grant applications and the allocation of grants under this section.

Subd. 2. **Eligibility.** To be eligible for a grant under this section, a nonprofit organization must meet the requirements of section 494.05, subdivision 1, clauses (1), (2), (4), and (5).

Subd. 3. **Conditions and exclusions.** A nonprofit entity receiving a grant must agree to comply with guidelines adopted by the state court administrator under section 494.015, subdivision 1. Sections 16B.97 and 16B.98 and policies adopted under those sections apply to grants under this section. The exclusions in section 494.03 apply to grants under this section.

Subd. 4. **Reporting.** Grantees must report data required under chapter 494 to evaluate quality and outcomes.

Sec. 31. Minnesota Statutes 2012, section 326A.04, subdivision 2, is amended to read:

Subd. 2. **Timing.** (a) Certificates must be initially issued and renewed ~~for periods of not more than three years annually~~ but in any event must expire on December 31 in the year prescribed by the board by rule. Applications for certificates must be made in the form, and in the case of applications for renewal between the dates, specified by the board in rule. The board shall grant or deny an application no later than 90 days after the application is filed in proper form. If the applicant seeks the opportunity to show that issuance or renewal of a certificate was mistakenly denied, or if the board is unable to determine whether it should be granted or denied, the board may issue to the applicant a provisional certificate that expires 90 days after its issuance, or when the board determines whether or not to issue or renew the certificate for which application was made, whichever occurs first.

(b) Certificate holders who do not provide professional services and do not use the certified public accountant designation in any manner are not required to renew their certificates provided they have notified the board as provided in board rule and comply with the requirements for nonrenewal as specified in board rule.

(c) Applications for renewal of a certificate that are complete and timely filed with the board and are not granted or denied by the board before January 1 are renewed on a provisional basis as of January 1 and for 90 days thereafter, or until the board grants or denies the renewal of the certificate, whichever occurs first, provided the licensee meets the requirements in this chapter and rules adopted by the board.

EFFECTIVE DATE. This section is effective for licenses issued or renewed after January 1, 2014.

Sec. 32. Minnesota Statutes 2012, section 326A.04, subdivision 3, is amended to read:

Subd. 3. **Residents of other states.** (a) With regard to an applicant who must obtain a certificate in this state because the applicant does not qualify under the substantial equivalency standard in section 326A.14, subdivision 1, the board shall issue a certificate to a holder of a certificate, license, or permit issued by another state upon a showing that:

(1) the applicant passed the examination required for issuance of a certificate in this state;

(2) the applicant had four years of experience of the type described in section 326A.03, subdivision 6, paragraph (b), ~~if application is made on or after July 1, 2006, or section 326A.03, subdivision 8, if application is made before July 1, 2006;~~ or the applicant meets equivalent requirements prescribed by the board by rule, after passing the examination upon which the applicant's certificate was based and within the ten years immediately preceding the application;

(3) if the applicant's certificate, license, or permit was issued more than four years prior to the application for issuance of an initial certificate under this subdivision, that the applicant has fulfilled the requirements of continuing professional education that would have been applicable under subdivision 4; and

(4) the applicant has met the qualifications prescribed by the board by rule.

(b) A certificate holder licensed by another state who establishes a principal place of business in this state shall request the issuance of a certificate from the board prior to establishing the principal place of business. The board shall issue a certificate to the person if the person's individual certified public accountant qualifications, upon verification, are substantially equivalent to the certified public accountant licensure requirements of this chapter or the person meets equivalent requirements as the board prescribes by rule. Residents of this state who provide professional services in this state at an office location in this state shall be considered to have their principal place of business in this state.

Sec. 33. Minnesota Statutes 2012, section 326A.04, subdivision 5, is amended to read:

Subd. 5. **Fee.** (a) The board shall charge a fee for each application for initial issuance or renewal of a certificate under this section as provided in paragraph (b).

(b) The board shall charge the following fees:

(1) initial issuance of certificate, \$150;

(2) renewal of certificate with an active status, \$100 per year;

(3) initial CPA firm permits, except for sole practitioners, \$100;

(4) renewal of CPA firm permits, except for sole practitioners and those firms specified in clause (17), \$35 per year;

(5) initial issuance and renewal of CPA firm permits for sole practitioners, except for those firms specified in clause (17), \$35 per year;

(6) annual late processing delinquency fee for permit, certificate, or registration renewal applications not received prior to expiration date, \$50;

(7) copies of records, per page, 25 cents;

(8) registration of noncertificate holders, nonlicensees, and nonregistrants in connection with renewal of firm permits, \$45 per year;

(9) applications for reinstatement, \$20;

(10) initial registration of a registered accounting practitioner, \$50;

(11) initial registered accounting practitioner firm permits, \$100;

(12) renewal of registered accounting practitioner firm permits, except for sole practitioners, \$100 per year;

(13) renewal of registered accounting practitioner firm permits for sole practitioners, \$35 per year;

(14) CPA examination application, \$40;

(15) CPA examination, fee determined by third-party examination administrator;

(16) renewal of certificates with an inactive status, \$25 per year; and

(17) renewal of CPA firm permits for firms that have one or more offices located in another state, \$68 per year.

Sec. 34. Minnesota Statutes 2012, section 326A.04, subdivision 7, is amended to read:

Subd. 7. **Certificates issued by foreign countries.** The board shall issue a certificate to a holder of a generally equivalent foreign country designation, provided that:

(1) the foreign authority that granted the designation makes similar provision to allow a person who holds a valid certificate issued by this state to obtain the foreign authority's comparable designation;

(2) the foreign designation:

(i) was duly issued by a foreign authority that regulates the practice of public accountancy and the foreign designation has not expired or been revoked or suspended;

(ii) entitles the holder to issue reports upon financial statements; and

(iii) was issued upon the basis of educational, examination, and experience requirements established by the foreign authority or by law; and

(3) the applicant:

(i) received the designation, based on educational and examination standards generally equivalent to those in effect in this state, at the time the foreign designation was granted;

(ii) has, within the ten years immediately preceding the application, completed an experience requirement that is generally equivalent to the requirement in section 326A.03, subdivision 6, paragraph (b), ~~if application is made on or after July 1, 2006, or section 326A.03, subdivision 8, if application is made before July 1, 2006,~~ in the jurisdiction that granted the foreign designation; completed four years of professional experience in this state; or met equivalent requirements prescribed by the board by rule; and

(iii) passed a uniform qualifying examination in national standards and an examination on the laws, regulations, and code of ethical conduct in effect in this state as the board prescribes by rule.

Sec. 35. Minnesota Statutes 2012, section 326A.10, is amended to read:

326A.10 UNLAWFUL ACTS.

(a) Only a licensee and individuals who have been granted practice privileges under section 326A.14 may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing attest services, or offer to render or render any attest service. Only a certified public accountant, an individual who has been granted practice privileges under section 326A.14, a CPA firm, or, to the extent permitted by board rule, a person registered under section 326A.06, paragraph (b), may issue a report on financial statements of any person, firm, organization, or governmental unit that results from providing compilation services or offer to render or render any compilation service. These restrictions do not prohibit any act of a public official or public employee in the performance of that person's duties or prohibit the performance by any nonlicensee of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports on them. Nonlicensees may prepare financial statements and issue nonattest transmittals or information on them which do not purport to be in compliance with the Statements on Standards for Accounting and Review Services (SSARS). Nonlicensees registered under section 326A.06, paragraph (b), may, to the extent permitted by board rule, prepare financial statements and issue nonattest transmittals or information on them.

(b) Licensees and individuals who have been granted practice privileges under section 326A.14 performing attest or compilation services must provide those services in accordance with professional standards. To the extent permitted by board rule, registered accounting practitioners performing compilation services must provide those services in accordance with standards specified in board rule.

(c) A person who does not hold a valid certificate issued under section 326A.04 or a practice privilege granted under section 326A.14 shall not use or assume the title "certified public accountant," the abbreviation "CPA," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant.

(d) A firm shall not provide attest services or assume or use the title "certified public accountants," the abbreviation "CPA's," or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the firm is a CPA firm unless (1) the firm has complied with section 326A.05, and (2) ownership of the firm is in accordance with this chapter and rules adopted by the board.

(e) A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use the title "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant," "accounting practitioner," "public accountant," "licensed public accountant," or any other title or designation likely to be confused with the title "certified public accountant," or use any of the abbreviations "CA," "LA," "RA," "AA," "PA," "AP," "LPA," or similar abbreviation likely to be confused with the abbreviation "CPA." The title "enrolled agent" or "EA" may only be used by individuals so designated by the Internal Revenue Service.

(f) Persons registered under section 326A.06, paragraph (b), may use the title "registered accounting practitioner" or the abbreviation "RAP." A person who does not hold a valid registration under section 326A.06, paragraph (b), shall not assume or use such title or abbreviation.

(g) Except to the extent permitted in paragraph (a), nonlicensees may not use language in any statement relating to the financial affairs of a person or entity that is conventionally used by licensees in reports on financial statements. In this regard, the board shall issue by rule safe harbor language that nonlicensees may use in connection with such financial information. A person or firm that does not hold a valid certificate or permit, or a registration issued under section 326A.04, 326A.05, or 326A.06, paragraph (b), or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "accountant" or "accounting" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate, permit, or registration or has special competence as an accountant. A person or firm that does not hold a valid certificate or permit issued under section 326A.04 or 326A.05 or has not otherwise complied with section 326A.04 or 326A.05 as required in this chapter shall not assume or use any title or designation that includes the word "auditor" in connection with any other language, including the language of a report, that implies that the person or firm holds such a certificate or permit or has special competence as an auditor. However, this paragraph does not prohibit any officer, partner, member, manager, or employee of any firm or organization from affixing that person's own signature to any statement in reference to the financial affairs of such firm or organization with any wording designating the position, title, or office that the person holds, nor prohibit any act of a public official or employee in the performance of the person's duties as such.

(h) (1) No person holding a certificate or registration or firm holding a permit under this chapter shall use a professional or firm name or designation that is misleading about the legal form of the firm, or about the persons who are partners, officers, members, managers, or shareholders of the firm, or about any other matter. However, names of one or more former partners, members, managers, or shareholders may be included in the name of a firm or its successor.

(2) A common brand name or network name part, including common initials, used by a CPA firm in its name, is not misleading if the firm is a network firm as defined in the American Institute of Certified Public Accountants (AICPA) Code of Professional Conduct in effect July 1, 2011, and when offering or rendering services that require independence under AICPA standards, the firm must comply with the AICPA code's applicable standards on independence.

(i) Paragraphs (a) to (h) do not apply to a person or firm holding a certification, designation, degree, or license granted in a foreign country entitling the holder to engage in the practice of public accountancy or its equivalent in that country, if:

(1) the activities of the person or firm in this state are limited to the provision of professional services to persons or firms who are residents of, governments of, or business entities of the country in which the person holds the entitlement;

(2) the person or firm performs no attest or compilation services and issues no reports with respect to the financial statements of any other persons, firms, or governmental units in this state; and

(3) the person or firm does not use in this state any title or designation other than the one under which the person practices in the foreign country, followed by a translation of the title or designation into English, if it is in a different language, and by the name of the country.

(j) No holder of a certificate issued under section 326A.04 may perform attest services through any business form that does not hold a valid permit issued under section 326A.05.

(k) No individual licensee may issue a report in standard form upon a compilation of financial information through any form of business that does not hold a valid permit issued under section 326A.05, unless the report discloses the name of the business through which the individual is issuing the report, and the individual:

(1) signs the compilation report identifying the individual as a certified public accountant;

(2) meets the competency requirement provided in applicable standards; and

(3) undergoes no less frequently than once every three years, a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements set out in professional standards for such services.

(l) No person registered under section 326A.06, paragraph (b), may issue a report in standard form upon a compilation of financial information unless the board by rule permits the report and the person:

(1) signs the compilation report identifying the individual as a registered accounting practitioner;

(2) meets the competency requirements in board rule; and

(3) undergoes no less frequently than once every three years a peer review conducted in a manner specified by the board in rule, and the review includes verification that the individual has met the competency requirements in board rule.

(m) Nothing in this section prohibits a practicing attorney or firm of attorneys from preparing or presenting records or documents customarily prepared by an attorney or firm of attorneys in connection with the attorney's professional work in the practice of law.

(n) The board shall adopt rules that place limitations on receipt by a licensee or a person who holds a registration under section 326A.06, paragraph (b), of:

(1) contingent fees for professional services performed; and

(2) commissions or referral fees for recommending or referring to a client any product or service.

(o) Anything in this section to the contrary notwithstanding, it shall not be a violation of this section for a firm not holding a valid permit under section 326A.05 and not having an office in this state to provide its professional services in this state so long as it complies with the applicable requirements of section 326A.05, subdivision 1.

Sec. 36. **ST. PAUL RIVERCENTRE ARENA.**

Notwithstanding Laws 1998, chapter 404, section 23, subdivision 6, as amended by Laws 2002, chapter 220, article 10, section 35, the city of St. Paul is not required to make repayments in fiscal year 2014 and fiscal year 2015 only.

Sec. 37. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall change the term "manicurist" to "nail technician" wherever it appears in Minnesota Rules and Statutes.

(b) The revisor of statutes shall change the term "licensed" to "registered" and "license" to "registration" wherever it appears in Minnesota Statutes, chapter 154, or applicable Minnesota Rules.

Sec. 38. **REPEALER.**

(a) Minnesota Statutes 2012, sections 116W.01; 116W.02; 116W.03; 116W.035; 116W.04; 116W.05; 116W.06; 116W.20; 116W.21; 116W.23; 116W.24; 116W.25; 116W.26; 116W.27; 116W.28; 116W.29; 116W.30; 116W.31; 116W.32; 116W.33; 116W.34; 155A.25, subdivision 1; and 326A.03, subdivisions 2, 5, and 8, are repealed.

(b) Minnesota Rules, parts 1105.0600; 1105.2550; and 1105.2700, are repealed.

ARTICLE 6
COMMERCE AND CONSUMER PROTECTION 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>
General	\$44,608,000	\$44,868,000	\$89,476,000
Special Revenue	4,898,000	4,940,000	9,838,000
Petroleum Tank	1,052,000	1,052,000	2,104,000
Workers' Compensation	751,000	751,000	1,502,000
Lottery Prize Fund	225,000	225,000	450,000
Total	\$51,534,000	\$51,836,000	\$103,370,000

Sec. 2. **COMMERCE AND CONSUMER PROTECTION APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the 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. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

APPROPRIATIONS
Available for the Year
Ending June 30
2014 **2015**

Sec. 3. **DEPARTMENT OF COMMERCE**

Subdivision 1. **Total Appropriation** **\$26,126,000** **\$26,298,000**

Appropriations by Fund

	<u>2014</u>	<u>2015</u>
General	24,323,000	24,495,000
Petroleum Tank	1,052,000	1,052,000
Workers' Compensation	751,000	751,000

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

Subd. 2. **Financial Institutions** **4,885,000** **4,885,000**

\$142,000 each year is for the regulation of mortgage originators and servicers under Minnesota Statutes, chapters 58 and 58A.

<u>Subd. 3. Petroleum Tank Release Compensation Board</u>	<u>1,052,000</u>	<u>1,052,000</u>
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This appropriation is from the petroleum tank fund.

<u>Subd. 4. Administrative Services</u>	<u>6,689,000</u>	<u>6,865,000</u>
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\$375,000 each year is for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services.

\$25,000 each year is for newspaper advertising directed at persons who own or may own unclaimed property. By June 30 of each year, the commissioner shall submit a report to the house and senate committees with jurisdiction over the department of the results of the newspaper advertisements in returning property to the owners. This appropriation for newspaper advertising and the requirement of a report is for fiscal years 2014 and 2015 only.

Fees for the Weights and Measures Unit are increased by 30 percent during fiscal year 2014. All fees are deposited to the general fund as nondedicated revenue.

Base adjustment. \$174,000 in fiscal year 2014 and \$350,000 in fiscal year 2015 is added to the base.

<u>Subd. 5. Telecommunications</u>	<u>1,509,000</u>	<u>1,509,000</u>
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\$500,000 each year is for the Broadband Development Office.

The following transfer is from the telecommunications access Minnesota fund. \$500,000 the first year and \$800,000 the second year and each year thereafter are for transfer to the commissioner of human services to supplement the ongoing operational expenses of the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans.

<u>Subd. 6. Enforcement</u>	<u>4,824,000</u>	<u>4,820,000</u>
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Appropriations by Fund

<u>General</u>	<u>4,626,000</u>	<u>4,622,000</u>
<u>Workers' Compensation</u>	<u>198,000</u>	<u>198,000</u>

Of the general fund amount, \$646,000 in fiscal year 2014 and \$642,000 in fiscal year 2015 is to establish the regulation of gold bullion dealers.

<u>Subd. 7. Energy Resources</u>	<u>3,252,000</u>	<u>3,252,000</u>
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Subd. 8. **Insurance**3,915,0003,915,000Appropriations by FundGeneral 3,362,000 3,362,000Workers' Compensation 553,000 553,000Sec. 4. **PUBLIC UTILITIES COMMISSION****\$6,226,000****\$6,277,000****Base adjustment.** \$48,000 in fiscal year 2014 and \$99,000 in fiscal year 2015 is added to the base.Sec. 5. **GAMBLING CONTROL****\$3,989,000****\$4,021,000**These appropriations are from the lawful gambling regulation account in the special revenue fund.**Base adjustment.** \$30,000 in fiscal year 2014 and \$62,000 in fiscal year 2015 is added to the base.Sec. 6. **RACING COMMISSION****\$909,000****\$919,000**These appropriations are from the racing and card playing regulation accounts in the special revenue fund.**Base adjustment.** \$10,000 in fiscal year 2014 and \$20,000 in fiscal year 2015 is added to the base.Sec. 7. **STATE LOTTERY**Notwithstanding Minnesota Statutes, section 349A.10, subdivision 3, the operating budget must not exceed \$30,500,000 in fiscal year 2014 and \$30,500,000 in fiscal year 2015.Sec. 8. **EXPLORE MINNESOTA TOURISM****\$14,059,000****\$14,096,000**(a) Of this amount, \$12,000 each year is for a grant to the Upper Minnesota Film Office.(b)(1) To develop maximum private sector involvement in tourism, \$500,000 in fiscal year 2014 and \$500,000 in fiscal year 2015 must be matched by Explore Minnesota Tourism from nonstate sources. Each \$1 of state incentive must be matched with \$6 of private sector funding. Cash match is defined as revenue to the state or documented cash expenditures directly expended to support Explore Minnesota Tourism programs. Up to one-half of the private sector contribution may be in-kind or soft match. The incentive in fiscal year 2014 shall be based on fiscal year 2013 private sector contributions. The incentive in fiscal year 2015 shall be based on fiscal year 2014 private sector contributions. This incentive is ongoing.

(2) Funding for the marketing grants is available either year of the biennium. Unexpended grant funds from the first year are available in the second year.

(3) Unexpended money from the general fund appropriations made under this section does not cancel but must be placed in a special marketing account for use by Explore Minnesota Tourism for additional marketing activities.

(c) \$325,000 in fiscal year 2014 and \$325,000 in fiscal year 2015 are 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.

(d) **Base adjustment.** \$34,000 in fiscal year 2014 and \$71,000 in fiscal year 2015 is added to the base.

Sec. 9. **PROBLEM GAMBLING APPROPRIATION.**

\$225,000 in fiscal year 2014 and \$225,000 in fiscal year 2015 are appropriated from the lottery prize fund to the commissioner of human services for a grant to the state affiliate recognized by the National Council on Problem Gambling. The affiliate must provide services to increase public awareness of problem gambling, education, and training for individuals and organizations providing effective treatment services to problem gamblers and their families, and research relating to problem gambling. These services must be complementary to and not duplicative of the services provided through the problem gambling program administered by the commissioner of human services. This is a onetime appropriation.

ARTICLE 7
COMMERCE AND CONSUMER PROTECTION POLICY

Section 1. Minnesota Statutes 2012, section 60A.14, subdivision 1, is amended to read:

Subdivision 1. **Fees other than examination fees.** In addition to the fees and charges provided for examinations, the following fees must be paid to the commissioner for deposit in the general fund:

(a) by township mutual fire insurance companies;

(1) for filing certificate of incorporation \$25 and amendments thereto, \$10;

(2) for filing annual statements, \$15;

(3) for each annual certificate of authority, \$15;

(4) for filing bylaws \$25 and amendments thereto, \$10;

(b) by other domestic and foreign companies including fraternal and reciprocal exchanges;

(1) for filing an application for an initial certification of authority to be admitted to transact business in this state, \$1,500;

- (2) for filing certified copy of certificate of articles of incorporation, \$100;
- (3) for filing annual statement, \$225;
- (4) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
- (5) for filing bylaws, \$75 or amendments thereto, \$75;
- (6) for each company's certificate of authority, \$575, annually;

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;

(2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;

(3) for license to procure insurance in unadmitted foreign companies, \$575;

(4) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

(5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

(6) for each appointment of an agent filed with the commissioner, ~~\$10~~ \$30;

(7) for filing forms, rates, and compliance certifications under section 60A.315, \$140 per filing, or \$125 per filing when submitted via electronic filing system. Filing fees may be paid on a quarterly basis in response to an invoice. Billing and payment may be made electronically;

(8) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 2. **[80G.01] REGISTRATION.**

(a) The fee for each registration under this chapter shall be as follows:

(1) bullion coin dealers, \$25; and

(2) coin dealer representatives, \$10.

(b) The commissioner, based on the cost of processing registrations, may adjust the registration fee on an annual basis as needed.

Sec. 3. **[161.462] FIBER COLLABORATION DATABASE.**

Subdivision 1. **Purpose.** The purpose of the fiber collaboration database is to provide broadband providers with advance notice of upcoming Department of Transportation construction projects, so that they may notify the department of their interest in installing broadband infrastructure within the right-of-way during construction in order to minimize installation costs.

Subd. 2. **Database.** (a) The Department of Transportation shall post on its Web site, and update annually, the list of upcoming construction projects contained in its statewide transportation improvement program, including, for each project:

(1) the geographical location where construction will occur;

(2) the estimated start and end dates of construction; and

(3) a description of the nature of the construction project.

(b) The department shall post this information as far in advance of the beginning of construction as is feasible.

(c) The department's Web site shall allow a provider of broadband service to register to receive from the department electronic information on proposed construction projects added to the database in specific geographical areas of the state as soon as it is updated.

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

Sec. 4. Minnesota Statutes 2012, section 237.012, subdivision 3, is amended to read:

Subd. 3. **Annual reports.** The commissioner of commerce must annually by February 10 report on the achievement of the goals under subdivisions 1 and 2 to the chairs and ranking minority members of the legislative committees with primary jurisdiction over telecommunication issues. The report must also suggest policies, incentives, and legislation designed to accelerate the achievement of the goals. The report on goals under subdivision 1 must be made through 2015.

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

Sec. 5. **[237.85] OFFICE OF BROADBAND DEVELOPMENT.**

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

(b) "Broadband" or "broadband service" means any service providing advanced telecommunications capability and Internet access with transmission speeds that, at a minimum, meet the Federal Communications Commission definition for broadband.

(c) "Local unit of government" has the meaning given in section 116G.03, subdivision 3.

(d) "Office" means the Office of Broadband Development established in subdivision 2, paragraph (a).

Subd. 2. **Office established; purpose.** (a) An Office of Broadband Development is established within the Department of Commerce.

(b) The purpose of the office is to encourage, foster, develop, and improve broadband within the state in order to:

(1) drive job creation, promote innovation, and expand markets for Minnesota businesses;

(2) serve the ongoing and growing needs of Minnesota's education systems, health care system, public safety system, industries and businesses, governmental operations, and citizens; and

(3) improve accessibility for underserved communities and populations.

Subd. 3. **Organization.** The office shall consist of a director of the Office of Broadband Development, as well as any staff necessary to carry out the office's duties under subdivision 4.

Subd. 4. **Duties.** The office shall have the power and duty to:

(1) serve as the central broadband planning body for the state of Minnesota;

(2) coordinate with state, regional, local, and private entities to develop, to the maximum extent practicable, a uniform statewide broadband access and usage policy;

(3) develop, recommend, and implement a statewide plan to encourage cost-effective broadband access, and to make recommendations for increased usage, particularly in rural and other underserved areas;

(4) coordinate efforts, in consultation and cooperation with the commissioner of commerce, local units of government, and private entities, to meet the state's broadband goals in section 237.012;

(5) develop, coordinate, and implement the state's broadband infrastructure development program under section 237.90;

(6) provide consultation services to local units of government or other project sponsors in connection with the planning, acquisition, improvement, construction, or development of any broadband deployment project;

(7) encourage public-private partnerships to increase deployment and adoption of broadband services and applications, including recommending funding options and possible incentives to encourage investment in broadband expansion;

(8) monitor the broadband development efforts of other states and nations in areas such as business, education, public safety, and health;

(9) monitor broadband-related activities at the federal level, including regulatory and policy changes and the potential impact on broadband deployment and sustainability in the state;

(10) serve as an information clearinghouse for federal programs providing financial assistance to institutions located in rural areas seeking to obtain access to high speed broadband service, and use this information as an outreach tool to make institutions located in rural areas that are unserved or underserved with respect to broadband service aware of the existence of federal assistance;

(11) coordinate an ongoing collaborative effort of stakeholders to evaluate and address security, vulnerability, and redundancy issues important to ensure the reliability of broadband networks;

(12) provide an annual report, as required by subdivision 5; and

(13) perform any other activities consistent with the office's purpose.

Subd. 5. **Reporting.** (a) Beginning on January 15, 2014, and each year thereafter, the Office of Broadband Development shall report to the legislative committees having jurisdiction over telecommunications policy and finance on the office's activities during the previous year.

(b) The report shall contain, at a minimum:

(1) an analysis of the current availability and use of broadband, including average broadband speeds, within the state;

(2) information gathered from schools, libraries, hospitals, and public safety facilities across the state, determining the actual speed and capacity of broadband currently in use and the need, if any, for increases in speed and capacity to meet basic needs;

(3) an analysis of incumbent broadband infrastructure within the state and its ability to spur economic development;

(4) an analysis of the degree to which new, additional, or improved broadband infrastructure would spur economic development in the state;

(5) a summary of the office's activities in coordinating broadband infrastructure development under section 237.90;

(6) any proposed legislative and policy initiatives; and

(7) any other information requested by the legislative committees having jurisdiction over telecommunications policy and finance, or that the office deems necessary.

(c) The report may be submitted electronically and is subject to section 3.195, subdivision 1.

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

Sec. 6. [237.90] COORDINATION OF BROADBAND INFRASTRUCTURE DEVELOPMENT.

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

(b) "Broadband" or "broadband service" has the meaning given in section 237.85, subdivision 1, paragraph (b).

(c) "Broadband conduit" means a conduit, pipe, innerduct, or microduct for fiber optic or other cables that support broadband and wireless facilities for broadband service.

(d) "Local unit of government" has the meaning given in section 116G.03, subdivision 3.

(e) "Office" means the Office of Broadband Development established in section 237.85.

Subd. 2. **Broadband infrastructure development.** (a) The office shall, in collaboration with the Department of Transportation and private entities, encourage and coordinate "dig once" efforts for the planning, relocation, installation, or improvement of broadband conduit within the right-of-way in conjunction with any current or planned construction, including, but not limited to, trunk highways and bridges. To the extent necessary, the office shall, in collaboration with the Department of Transportation, evaluate engineering and design standards, procedures and criteria for contracts or lease agreements with private entities, and pricing requirements, and provide for allocation of risk, costs, and any revenue generated.

(b) The office shall, in collaboration with other state departments and agencies as the office deems necessary, develop a strategy to facilitate the timely and efficient deployment of broadband conduit or other broadband facilities on state-owned lands and buildings.

(c) To the extent practicable, the office shall encourage and assist local units of government to adopt and implement policies similar to those under paragraphs (a) and (b) for construction or other improvements to county state-aid highways, municipal state-aid roads, and any other rights-of-way under the local unit of government's jurisdiction, and to other lands or buildings owned by the local unit of government.

(d) Special consideration must be paid to projects under this subdivision that will likely improve access to broadband by rural or underserved communities.

Subd. 3. **Reporting.** As part of its annual report under section 237.85, subdivision 5, the office shall report on activities taken under this section, including, but not limited to, the number of current and planned projects using the "dig once" approach, any gains in broadband speed or access associated with the project, and any costs or cost savings to the state, private entity, or end user of broadband services.

Subd. 4. **No right of action.** Nothing in this section shall be construed to create any right or benefit, substantive or procedural, enforceable at law or in equity by any party against the state of Minnesota, its departments, agencies, or entities, its officers, employees, or agents, or any other person.

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

Sec. 7. Minnesota Statutes 2012, section 239.101, subdivision 3, is amended to read:

Subd. 3. **Petroleum inspection fee; appropriation, uses.** (a) An inspection fee is imposed (1) on petroleum products when received by the first licensed distributor, and (2) on petroleum products received and held for sale or use by any person when the petroleum products have not previously been received by a licensed distributor. The petroleum inspection fee is \$1 for every 1,000 gallons received. The commissioner of revenue shall collect the fee. The revenue from ~~\$1~~ 89 cents of the fee is appropriated to the commissioner of commerce for the cost of operations of the Division of Weights and Measures, petroleum supply monitoring, and to make grants to providers of low-income weatherization services to install renewable energy equipment in households that are eligible for weatherization assistance under Minnesota's weatherization assistance program state plan. The remainder of the fee must be deposited in the general fund.

(b) The commissioner of revenue shall credit a person for inspection fees previously paid in error or for any material exported or sold for export from the state upon filing of a report as prescribed by the commissioner of revenue.

(c) The commissioner of revenue may collect the inspection fee along with any taxes due under chapter 296A.

Sec. 8. Minnesota Statutes 2012, section 507.235, subdivision 2, is amended to read:

Subd. 2. **Penalty for failure to file.** (a) A vendee who fails to record a contract for deed, as required by subdivision 1, is subject to a civil penalty, payable under subdivision 5, equal to two percent of the principal amount of the contract debt, unless the vendee has not received a copy of the contract for deed in recordable form, as required under subdivision 1a. Payments of the penalty shall be deposited in the general fund of the county. The penalty may be enforced as a lien against the vendee's interest in the property.

(b) A person receiving an assignment of a vendee's interest in a contract for deed who fails to record the assignment as required by subdivision 1 is subject to a civil penalty, payable under subdivision 5, equal to two percent of the original principal amount of the contract debt. Payments of the penalty must be deposited in the general fund of the county. The penalty may be enforced as a lien against the vendee's interest in the property.

Sec. 9. **[559.201] DEFINITIONS.**

Subdivision 1. **Application.** The definitions in this section apply to section 559.202.

Subd. 2. **Business day.** "Business day" means any day other than a Saturday, Sunday, or holiday as defined in section 645.44, subdivision 5.

Subd. 3. **Family farm security loan.** "Family farm security loan" has the meaning given in Minnesota Statutes 2008, section 41.52, subdivision 5.

Subd. 4. **Multiple seller.** "Multiple seller" means a person that has acted as a seller in four or more contracts for deed involving residential real property during the 12-month period that precedes either: (1) the date on which the purchaser executes a purchase agreement under section 559.202; or (2) if there is no purchase agreement, the date on which the purchaser executes a contract for deed under section 559.202. A contract for deed transaction that is exempt under section 559.202, subdivision 2, is a contract for deed for the purposes of determining whether a seller is a multiple seller.

Subd. 5. **Person.** "Person" means a natural person, partnership, corporation, limited liability company, association, trust, or other legal entity, however organized.

Subd. 6. **Purchase agreement.** "Purchase agreement" means a purchase agreement for a contract for deed, an earnest money contract, or an executed option contemplating that, at closing, the seller and the purchaser will enter into a contract for deed.

Subd. 7. **Purchaser.** "Purchaser" means a natural person who enters into a contract for deed to purchase residential real property. Purchaser includes all purchasers who enter into the same contract for deed to purchase residential real property.

Subd. 8. **Residential real property.** "Residential real property" means real property consisting of one to four family dwelling units, one of which the purchaser intends to occupy as the purchaser's principal place of residence. Residential real property does not include property subject to a family farm security loan or a transaction subject to sections 583.20 to 583.32.

Sec. 10. **[559.202] CONTRACTS FOR DEED INVOLVING RESIDENTIAL PROPERTY.**

Subdivision 1. **Notice required.** (a) In addition to the disclosures required under sections 513.52 to 513.60, a multiple seller must deliver the notice specified under subdivision 3 to a prospective purchaser as provided under this subdivision.

(b) If there is a purchase agreement, the notice must be affixed to the front of the purchase agreement. A contract for deed for which notice is required under this subdivision may not be executed for five business days following the execution of the purchase agreement and delivery of the notice and instructions for cancellation.

(c) If there is no purchase agreement, a multiple seller must deliver the notice in a document separate from any other document or writing to a prospective purchaser no less than five business days before the prospective purchaser executes the contract for deed.

(d) The notice must be:

(1) written in at least 12-point type; and

(2) signed and dated by the purchaser.

(e) If a dispute arises concerning whether or when the notice required by this subdivision was provided to the purchaser, there is a rebuttable presumption that the notice was not provided unless the original executed contract for deed contains the following statement, initialed by the purchaser: "By initialing here purchaser acknowledges receipt at least five business days before signing this contract for deed of the disclosure statement entitled "Important Information About Contracts for Deed" required by Minnesota Statutes, section 559.202, subdivision 3."

Subd. 2. **Exception.** This section does not apply if the purchaser is represented throughout the transaction by either:

(1) a person licensed to practice law in this state; or

(2) a person licensed as a real estate broker or salesperson under chapter 82, provided that the representation does not create a dual agency, as that term is defined in section 82.55, subdivision 6.

Subd. 3. **Content of the notice.** The notice must contain the following verbatim language:

"IMPORTANT INFORMATION ABOUT CONTRACTS FOR DEED

Know What You Are Getting Into

(1) A contract for deed is a complex legal agreement. You are NOT a tenant. Mortgage foreclosure laws don't apply.

(2) You should know ALL of your obligations and rights before you sign a purchase agreement or contract for deed.

(3) You (seller must circle one):

- (a) DO DO NOT have to pay homeowner's insurance.
- (b) DO DO NOT have to pay property taxes.
- (c) DO DO NOT have to make and pay for some or all of the repairs or maintenance, as described in the contract for deed.

(4) After some time, you may need to make a large lump sum payment (called a "balloon payment"). Know when it is due and how much it will be. You'll probably need to get a new mortgage, another financial arrangement, or pay for the balance in cash at that time.

(5) If you miss just a single payment or can't make the balloon payment, the seller can cancel your contract. You will likely lose all the money you have already paid. You will likely lose your ability to purchase the home. The seller can begin an eviction action against you in just a few months.

(6) Within four months of signing the contract for deed, you must "record" it in the office of the county recorder or registrar of titles in the county in which the property is located. If you do not do so, you could face a fine.

Key Things Highly Recommended Before You Sign

(1) Get advice from a lawyer or the Minnesota Home Ownership Center at 1-866-462-6466. To find a lawyer through the Minnesota State Bar Association, go to www.mnfindalawyer.com.

(2) Get an independent, professional appraisal of the property to learn what it is worth.

(3) Get an independent, professional inspection of the property.

(4) Buy title insurance or ask a real estate lawyer for a "title opinion."

(5) Check with the city or county to find out if there are inspection reports or unpaid utility bills.

(6) Check with a title company or the county where the property is located to find out if there is a mortgage or other lien on the property and if the property taxes have been paid.

If You Are Entering into a Purchase Agreement

(1) If you haven't already signed the contract for deed, you can cancel the purchase agreement (and get all your money back) if you do so within five business days after getting this notice.

(2) To cancel the purchase agreement, you must follow the provisions of Minnesota Statutes, section 559.217, subdivision 4. Ask a lawyer for help."

Subd. 4. Right to cancel purchase agreement. (a) A prospective purchaser may cancel a purchase agreement within five business days after actually receiving the notice required under subdivision 1 if a multiple seller fails to timely deliver the notice, provided that the contract for deed has not been executed by all parties.

(b) A prospective purchaser may cancel the purchase agreement in accordance with the provisions of section 559.217, subdivision 4.

(c) In the event of cancellation, the multiple seller may not impose a penalty and must promptly refund all payments made by the prospective purchaser prior to cancellation.

Subd. 5. Remedies for failure to timely deliver notices. (a) Notwithstanding any contrary provision in the purchase agreement or contract for deed, a purchaser has a private right of action against a multiple seller who fails to timely deliver the notice required under subdivision 1. The multiple seller is liable to the purchaser for:

(1) the greater of actual damages or statutory damages of \$2,500; and

(2) reasonable attorney fees and court costs.

(b) A multiple seller who knowingly fails to timely deliver the notice required under subdivision 1 is liable to the purchaser for triple the actual or statutory damages available under paragraph (a), whichever is greater, provided that the purchaser must elect the remedy provided under either paragraph (a) or this paragraph and may not recover damages under both paragraphs.

(c) The rights and remedies provided in this subdivision are cumulative to, and not a limitation of, any other rights and remedies provided under law. An action brought pursuant to this subdivision must be commenced within four years from the date of the alleged violation.

Subd. 6. Effects of violation. A violation of this section has no effect on the validity of the contract.

Subd. 7. Duty of multiple seller to account. Upon reasonable request by the purchaser and no more than once every 12-month period, a multiple seller must provide an accounting of all payments made pursuant to the contract for deed, the amount of interest paid, and the amount remaining to satisfy the principal balance under the contract.

Subd. 8. No waiver. The provisions of this section may not be waived.

EFFECTIVE DATE. This section is effective August 1, 2013, and applies to transactions in which the contract for deed and the purchase agreement for the contract for deed, if any, were both executed on or after that date.

Sec. 11. Minnesota Statutes 2012, section 559.211, subdivision 2, is amended to read:

Subd. 2. **Remedies additional.** The remedies provided in this section are in addition to and do not limit other rights or remedies available to purchasers or vendors of real estate. Subject to the provisions of sections 559.213 and 559.217, subdivision 7, this section shall not be construed to bar a court from determining the validity, effectiveness, or consequences of proceeding under section 559.21 or 559.217, or granting other relief in connection therewith, by reason of the failure of a purchaser to seek or obtain relief under this section prior to the purported effective date of the termination of the contract.

Sec. 12. Laws 2011, First Special Session chapter 2, article 2, section 3, subdivision 4, is amended to read:

Subd. 4. Administrative Services	4,247,000	4,247,000
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\$375,000 each year is for additional compliance efforts with unclaimed property. The commissioner may issue contracts for these services. ~~This additional amount shall be added to the base budget for fiscal years 2014 and 2015 only. The enhanced unclaimed property compliance program shall sunset June 30, 2015.~~

Sec. 13. **STATE BROADBAND STRATEGY; REPORT.**

The Office of Broadband Development shall conduct research and produce a report recommending a set of programs and strategies the state can pursue to promote the improvement, more efficient and effective use, and expansion of broadband services in ways that will have the greatest impact on the state's economic development, by which is meant enhancing the ability of Minnesota citizens and businesses to develop their skills, to expand businesses to new markets, develop new products, reach more customers, and lower costs. While the state's broadband goals in section 237.012 address the universal provision of greater broadband access and speed statewide, this report must consider broadband as an economic development tool and must examine and analyze:

(1) how the state can best use its limited resources to adopt strategies and make investments to improve the use of broadband services by subgroups of broadband users, including mobile broadband users, that promise to deliver the greatest economic impact per dollar of state investment;

(2) roles the state can play in addition to financial assistance for broadband infrastructure, including supporting education and training for Minnesotans to enable them to use broadband more effectively; and

(3) strategies and opportunities for state investment to leverage additional amounts of private capital and financial assistance from the federal government in order to achieve these goals.

By January 15, 2014, the office shall submit the report to the chairs and ranking minority members of the senate and house committees with jurisdiction over telecommunications issues.

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

Sec. 14. **REPEALER.**

Minnesota Statutes 2012, section 507.235, subdivision 4, is repealed effective the day following final enactment.

ARTICLE 8
HOUSING FINANCE

Section 1. **HOUSING FINANCE AGENCY.**

The sums shown in the columns marked "APPROPRIATIONS" are appropriated to the agencies and for the purposes specified in this act. 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. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015.

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

Sec. 2. **APPROPRIATIONS.**

Subdivision 1. **Total Appropriation**

\$50,048,000

\$48,048,000

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

Unless otherwise specified, this appropriation is for transfer to the housing development fund for the programs specified in this section. Except as otherwise indicated, this transfer is part of the agency's permanent budget base.

Subd. 2. **Challenge Program**

10,227,000

10,227,000

(a) This appropriation is for the economic development and housing challenge program under Minnesota Statutes, section 462A.33. Priority shall be given to funding programs that are aimed at closing the disparity gap in affordable homeownership and rental housing for indigenous American Indians and communities of color. Of this amount, \$1,208,000 each year shall be made available during the first 11 months of the fiscal year exclusively for housing projects for American Indians. Any funds not committed to housing projects for American Indians in the first 11 months of the fiscal year shall be available for any eligible activity under Minnesota Statutes, section 462A.33.

(b) Priority shall be given to programs that:

(1) focus on creating safe and stable housing for homeless youth;

(2) provide housing and services to trafficked women and children;

(3) are land trust programs and programs that work in coordination with a land trust program; or

(4) provide housing for communities and regions that have: (i) low vacancy rates, a plan that identifies current and future housing needs, experienced job growth since 2005, and at least 2,000 jobs within the commuter shed; or (ii) communities and regions that have evidence of anticipated job expansion or a significant portion of area employees who commute more than 30 miles between their residence and employment, and where area employers are willing to provide a meaningful contribution that reduces the need for deferred loan or grant funds from state sources.

(c) The base funding for this program in the 2016-2017 biennium is \$10,805,000 each year.

Subd. 3. Housing Trust Fund

11,605,000

10,605,000

(a) This appropriation is for deposit in the housing trust fund account created under Minnesota Statutes, section 462A.201, and may be used for the purposes provided in that section. Priority shall be given to funding programs that are aimed at closing the disparity gap in rental housing for indigenous American Indians and communities of color and culturally specific groups who are providing services to members of their communities.

(b) Of this amount, \$1,000,000 is a onetime appropriation for temporary rental assistance for families with school-age children who have changed school or home at least once in the last school year. The agency, in consultation with the Department of Education, may establish additional targeting criteria.

(c) The base funding for this program in fiscal years 2016 and 2017 is \$10,791,000 each year.

Subd. 4. Rental Assistance for the Mentally Ill

2,638,000

2,638,000

This appropriation is for the rental housing assistance program under Minnesota Statutes, section 462A.2097.

Subd. 5. Family Homeless Prevention

8,043,000

8,043,000

This appropriation is for the family homeless prevention and assistance programs under Minnesota Statutes, section 462A.204.

The base funding for this program in fiscal years 2016 and 2017 is \$8,145,000 each year.

Subd. 6. Home Ownership Assistance Fund

845,000

845,000

This appropriation is for the home ownership assistance program under Minnesota Statutes, section 462A.21, subdivision 8. Priority shall be given to funding programs that are aimed at closing the disparity gap in affordable homeownership for indigenous American Indians and communities of color.

The base funding for this program in fiscal years 2016 and 2017 is \$854,000 each year.

Subd. 7. Affordable Rental Investment Fund

4,200,000

4,200,000

(a) This appropriation is for the affordable rental investment fund program under Minnesota Statutes, section 462A.21, subdivision 8b, to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental property and for making equity take-out loans under Minnesota Statutes, section 462A.05, subdivision 39.

(b) The owner of federally assisted rental property must agree to participate in the applicable federally assisted housing program and to extend any existing low-income affordability restrictions on the housing for the maximum term permitted. The owner must also enter into an agreement that gives local units of government, housing and redevelopment authorities, and nonprofit housing organizations the right of first refusal if the rental property is offered for sale. Priority must be given among comparable federally assisted rental properties to properties with the longest remaining term under an agreement for federal assistance. Priority must also be given among comparable rental housing developments to developments that are or will be owned by local government units, a housing and redevelopment authority, or a nonprofit housing organization.

(c) The appropriation also may be used to finance the acquisition, rehabilitation, and debt restructuring of existing supportive housing properties. For purposes of this subdivision, "supportive housing" means affordable rental housing with links to services necessary for individuals, youth, and families with children to maintain housing stability.

Subd. 8. Housing Rehabilitation

6,094,000

6,094,000

This appropriation is for the housing rehabilitation program under Minnesota Statutes, section 462A.05, subdivision 14. Of this amount, \$3,344,000 each year is for the rehabilitation of rental properties, and \$2,750,000 each year is for the rehabilitation of owner-occupied homes.

The base funding for this program in fiscal years 2016 and 2017 is \$6,188,000 each year. Of this amount, \$3,438,000 each year is for the rehabilitation of rental housing and \$2,750,000 each year is for the rehabilitation of owner-occupied housing.

Subd. 9. Homeownership Education, Counseling, and Training

809,000

809,000

This appropriation is for the homeownership education, counseling, and training program under Minnesota Statutes, section 462A.209. Priority may be given to funding programs that are aimed at culturally specific groups who are providing services to members of their communities.

The base funding for this program in fiscal years 2016 and 2017 is \$819,000 each year.

Subd. 10. **Capacity Building Grants**

242,000

242,000

This appropriation is for nonprofit capacity building grants under Minnesota Statutes, section 462A.21, subdivision 3b.

The base funding for this program in fiscal years 2016 and 2017 is \$263,000 each year.

Subd. 11. **Grants**

445,000

445,000

(a) This appropriation is for the grants in paragraphs (b) to (d) and is available until expended. This appropriation is added to the agency's base.

(b) \$70,000 each year is for a grant to Open Access Connection to provide free voice mail services for homeless and low-income people so that they have a reliable and consistent communication tool to aid in their search for affordable housing and their search for and maintenance of jobs so that they have income to maintain affordable housing. This service is provided in the metropolitan area and through a toll-free number in greater Minnesota.

(c) \$200,000 each year is for a grant to HOME Line for the tenant's rights advocacy and services program.

(d) \$175,000 each year is for a grant to an East African women's organization to promote the health and safety of East African women and children in Minnesota and provide services to East African women, who are first-generation immigrants from East African countries, and their children. The program must provide safe housing for victims of domestic abuse and trafficking as well as assistance accessing the health care system. The program must provide educational resources to prevent the exploitation of East African women and children in Minnesota. The program shall provide shelter services and health and human rights education to promote empowerment and provide culturally appropriate services to East African women and children in Minnesota and other victims of domestic violence.

Subd. 12. **Transfers**

4,900,000

3,900,000

(a) The appropriations in this subdivision are not for transfer to the housing development fund. These appropriations are for transfer to the commissioner of human services for the purposes specified. The appropriations are added to the Minnesota Housing Finance Agency's fiscal year 2016 and fiscal year 2017 base budget.

(b) \$900,000 each year is for the long-term homeless supportive services fund under Minnesota Statutes, section 256K.26.

(c) \$250,000 each year is for the transitional housing programs under Minnesota Statutes, section 256E.33.

(d) \$250,000 each year is for emergency services grants under Minnesota Statutes, section 256E.36.

(e) \$1,500,000 each year is to provide housing and services to homeless youth under Minnesota Statutes, section 256K.45.

(f) \$1,000,000 each year is to develop and provide housing and shelters to prevent the sexual exploitation of women and children and assist trafficked women and children.

(g) \$500,000 in the first year is a onetime appropriation for a grant for housing subsidies to the nonprofit organizations selected to administer the demonstration project for high-risk adults under Laws 2007, chapter 54, article 1, section 19, to help complete the project.

(h) \$250,000 in the first year is a onetime appropriation for a transfer to the commissioner of health for a grant for education and training grants to address housing-based health threats and healthy homes implementation grants to local boards of health to mitigate housing-based health threats.

(i) \$250,000 in the first year is a onetime appropriation for a transfer to the commissioner of health for a grant for lead poisoning prevention activities under Minnesota Statutes, sections 144.9501 to 144.9512."

Delete the title and insert:

"A bill for an act relating to state government; appropriating money for jobs and economic development, commerce and consumer protection, and housing; making changes to labor and industry provisions; modifying and providing for certain fees; modifying employment, economic development, and workforce development provisions; making unemployment insurance changes; reducing the unemployment insurance tax; establishing notice for contracts for deed involving residential property; providing remedies; establishing the Office of Broadband Development in the Department of Commerce and assigning it duties; requiring the Department of Transportation to post a database on its Web site; appropriating money to various boards, departments, and the Housing Finance Agency; requiring reports; amending Minnesota Statutes 2012, sections 60A.14, subdivision 1; 116J.70, subdivision 2a; 116J.8731, subdivisions 2, 3, 8, 9; 116L.17, subdivision 4, by adding a subdivision; 116U.26; 136F.37; 154.001, by adding a subdivision; 154.003; 154.02; 154.05; 154.06; 154.065, subdivision 2; 154.07, subdivision 1; 154.08; 154.09; 154.10, subdivision 1; 154.11, subdivision 1; 154.12; 154.14; 154.15, subdivision 2; 154.26; 155A.23, subdivisions 3, 8, 11; 155A.25, subdivisions 1a, 4; 155A.27, subdivisions 4, 10; 155A.29, subdivision 2; 155A.30, by adding a subdivision; 177.27, subdivision 4; 237.012, subdivision 3; 239.101, subdivision 3; 245.4712, subdivision 1; 268.051, subdivision 5; 268.07, subdivision 3b; 268.125, subdivisions 1, 3, 4, 5; 268.136, subdivisions 1, 2, 3, 4, 5, by adding a subdivision; 268.199; 268.23; 268A.13; 268A.14, subdivision 1; 326.02, subdivision 5; 326A.04, subdivisions 2, 3, 5, 7; 326A.10; 326B.081, subdivision 3; 326B.082, subdivision 11; 326B.093, subdivision 4; 326B.101; 326B.103, subdivision 11; 326B.121, subdivision 1; 326B.163, by adding

subdivisions; 326B.184, subdivisions 1, 2, by adding a subdivision; 326B.187; 326B.31, by adding a subdivision; 326B.33, subdivisions 19, 21; 326B.36, subdivision 7; 326B.37, by adding a subdivision; 326B.43, subdivision 2; 326B.49, subdivisions 2, 3; 326B.89, subdivision 1; 327B.04, subdivision 4; 341.21, subdivision 3a; 341.221; 341.27; 341.29; 341.30, subdivision 4; 341.32, subdivision 2; 341.321; 507.235, subdivision 2; 559.211, subdivision 2; Laws 2011, First Special Session chapter 2, article 2, section 3, subdivision 4; Laws 2012, chapter 201, article 1, section 3; proposing coding for new law in Minnesota Statutes, chapters 116J; 116L; 154; 155A; 161; 179; 237; 268; 326B; 383D; 559; proposing coding for new law as Minnesota Statutes, chapter 80G; repealing Minnesota Statutes 2012, sections 116W.01; 116W.02; 116W.03; 116W.035; 116W.04; 116W.05; 116W.06; 116W.20; 116W.21; 116W.23; 116W.24; 116W.25; 116W.26; 116W.27; 116W.28; 116W.29; 116W.30; 116W.31; 116W.32; 116W.33; 116W.34; 155A.25, subdivision 1; 326A.03, subdivisions 2, 5, 8; 326B.31, subdivisions 18, 19, 22; 326B.978, subdivision 4; 507.235, subdivision 4; Minnesota Rules, parts 1105.0600; 1105.2550; 1105.2700; 1307.0032; 3800.3520, subpart 5, items C, D; 3800.3602, subpart 2, item B."

With the recommendation that when so amended the bill pass.

Pursuant to rule 6.50, Daudt moved that the report from the Committee on Ways and Means relating to H. F. No. 729 be laid over one day and printed in the Journal of the House.

A roll call was requested and properly seconded.

The question was taken on the Daudt motion and the roll was called. There were 60 yeas and 70 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

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

The motion did not prevail.

The question recurred on the adoption of the report from the Committee on Ways and Means relating to H. F. No. 729. The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 742, A bill for an act relating to natural resources; modifying commissioner's authorities and duties; modifying definitions; modifying invasive species provisions; modifying watercraft provisions; providing for certain license seizures; modifying game and fish license provisions; modifying requirements for taking game and fish; providing for certain all-terrain vehicle registration and watercraft license exemptions; modifying nonresident all-terrain vehicle state trail pass requirements; requiring rulemaking; amending Minnesota Statutes 2012, sections 84.027, subdivision 13, by adding subdivisions; 84.922, subdivision 1a; 84.9275, subdivision 1; 84D.01, subdivision 15a; 84D.03, subdivision 4; 84D.09; 84D.10, subdivisions 1, 4; 84D.105, subdivision 2; 84D.11, by adding subdivisions; 84D.13, subdivision 2, by adding a subdivision; 86B.005, subdivision 18, by adding subdivisions; 86B.13, by adding a subdivision; 86B.301, subdivision 2; 86B.501, subdivision 1; 86B.825, subdivision 2; 97A.135, subdivision 3; 97A.420, subdivision 1; 97A.441, subdivisions 6, 6a; 97A.445, subdivision 1; 97A.451, subdivisions 3, 3b, 4, 5, by adding a subdivision; 97A.475, subdivisions 2, 8; 97A.485, subdivision 6; 97B.0215; 97B.022, subdivision 2; 97B.055, subdivision 2; 97B.071; 97B.112; 97C.341; 97C.345, subdivisions 1, 2; 97C.375; 97C.376, subdivisions 1, 2, 3; repealing Minnesota Statutes 2012, sections 84D.01, subdivision 22; 97A.451, subdivision 4a; 97C.346; Laws 2011, First Special Session chapter 2, article 5, section 69.

Reported the same back with the following amendments:

Page 3, after line 21, insert:

"Sec. 4. Minnesota Statutes 2012, section 84.788, is amended by adding a subdivision to read:

Subd. 13. **Grant-in-aid donations.** (a) At the time of registration, a person may agree to add a donation of any amount to the off-highway motorcycle registration fee for grant-in-aid off-highway motorcycle trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all registrants and shall issue a recognition grant-in-aid trail sticker to registrants contributing \$20 or more.

(b) Money donated under this subdivision shall be deposited in the off-highway motorcycle account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 84.794, subdivision 2, paragraph (a), clause (3).

Sec. 5. Minnesota Statutes 2012, section 84.794, subdivision 1, is amended to read:

Subdivision 1. **Registration revenue.** Fees from the registration of off-highway motorcycles, donations received under section 84.788, subdivision 13, and the unrefunded gasoline tax attributable to off-highway motorcycle use under section 296A.18 must be deposited in the state treasury and credited to the off-highway motorcycle account in the natural resources fund.

Sec. 6. Minnesota Statutes 2012, section 84.798, is amended by adding a subdivision to read:

Subd. 11. **Grant-in-aid trail donations.** (a) At the time of registration, a person may agree to add a donation of any amount to the off-road vehicle registration fee for grant-in-aid off-road vehicle trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all registrants and shall issue a recognition grant-in-aid trail sticker to registrants contributing \$20 or more.

(b) Money donated under this subdivision shall be deposited in the off-road vehicle account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 84.803, subdivision 2, clause (3).

Sec. 7. Minnesota Statutes 2012, section 84.803, subdivision 1, is amended to read:

Subdivision 1. **Registration revenue.** Fees from the registration of off-road vehicles, donations received under section 84.798, subdivision 11, and unrefunded gasoline tax attributable to off-road vehicle use under section 296A.18 must be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund.

Sec. 8. Minnesota Statutes 2012, section 84.82, is amended by adding a subdivision to read:

Subd. 12. **Grant-in-aid trail donations.** (a) At the time of registration, a person may agree to add a donation of any amount to the snowmobile registration fee for grant-in-aid snowmobile trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all registrants and shall issue a recognition grant-in-aid trail sticker to registrants contributing \$20 or more.

(b) Money donated under this subdivision shall be deposited in the snowmobile trails and enforcement account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 84.83, subdivision 3, paragraph (a), clause (1).

Sec. 9. Minnesota Statutes 2012, section 84.83, subdivision 2, is amended to read:

Subd. 2. **Money deposited in the account.** Fees from the registration of snowmobiles and from the issuance of snowmobile state trail stickers, donations received under section 84.82, subdivision 12, and the unrefunded gasoline tax attributable to snowmobile use pursuant to section 296A.18 shall be deposited in the state treasury and credited to the snowmobile trails and enforcement account."

Page 4, after line 6, insert:

"Sec. 11. Minnesota Statutes 2012, section 84.922, is amended by adding a subdivision to read:

Subd. 13. **Grant-in-aid trail contributions.** (a) At the time of registration, the commissioner shall offer a registrant the opportunity to make a contribution for grant-in-aid trails. The commissioner shall issue a recognition grant-in-aid trail sticker to registrants contributing \$20 or more.

(b) Money contributed under this subdivision shall be deposited in the state treasury and credited to the all-terrain vehicle account and is dedicated for the grant-in-aid trail program.

Sec. 12. Minnesota Statutes 2012, section 84.922, is amended by adding a subdivision to read:

Subd. 14. **No registration weekend.** The commissioner shall designate by rule one weekend each year when, notwithstanding subdivision 1, an all-terrain vehicle may be operated on state and grant-in-aid all-terrain vehicle trails without a registration issued under this section. Nonresidents may participate during the designated weekend without a state trail pass required under section 84.9275.

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

Sec. 13. Minnesota Statutes 2012, section 84.9256, subdivision 1, is amended to read:

Subdivision 1. **Prohibitions on youthful operators.** (a) Except for operation on public road rights-of-way that is permitted under section 84.928 and as provided under paragraph (j), a driver's license issued by the state or another state is required to operate an all-terrain vehicle along or on a public road right-of-way.

(b) A person under 12 years of age shall not:

(1) make a direct crossing of a public road right-of-way;

(2) operate an all-terrain vehicle on a public road right-of-way in the state; or

(3) operate an all-terrain vehicle on public lands or waters, except as provided in paragraph (f).

(c) Except for public road rights-of-way of interstate highways, a person 12 years of age but less than 16 years may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate on public lands and waters or state or grant-in-aid trails, only if that person possesses a valid all-terrain vehicle safety certificate issued by the commissioner and is accompanied by a person 18 years of age or older who holds a valid driver's license.

(d) To be issued an all-terrain vehicle safety certificate, a person at least 12 years old, but less than ~~16~~ 18 years old, must:

(1) successfully complete the safety education and training program under section 84.925, subdivision 1, including a riding component; and

(2) be able to properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(e) A person at least 11 years of age may take the safety education and training program and may receive an all-terrain vehicle safety certificate under paragraph (d), but the certificate is not valid until the person reaches age 12.

(f) A person at least ten years of age but under 12 years of age may operate an all-terrain vehicle with an engine capacity up to 90cc on public lands or waters if accompanied by a parent or legal guardian.

(g) A person under 15 years of age shall not operate a class 2 all-terrain vehicle.

(h) A person under the age of 16 may not operate an all-terrain vehicle on public lands or waters or on state or grant-in-aid trails if the person cannot properly reach and control the handle bars and reach the foot pegs while sitting upright on the seat of the all-terrain vehicle.

(i) Notwithstanding paragraph (c), a nonresident at least 12 years old, but less than 16 years old, may make a direct crossing of a public road right-of-way of a trunk, county state-aid, or county highway or operate an all-terrain vehicle on public lands and waters or state or grant-in-aid trails if:

(1) the nonresident youth has in possession evidence of completing an all-terrain safety course offered by the ATV Safety Institute or another state as provided in section 84.925, subdivision 3; and

(2) the nonresident youth is accompanied by a person 18 years of age or older who holds a valid driver's license.

(j) A person 12 years of age but less than 16 years of age may operate an all-terrain vehicle on the bank, slope, or ditch of a public road right-of-way as permitted under section 84.928 if the person:

(1) possesses a valid all-terrain vehicle safety certificate issued by the commissioner; and

(2) is accompanied by a parent or legal guardian on a separate all-terrain vehicle."

Page 4, after line 30, insert:

"Sec. 15. Minnesota Statutes 2012, section 84.928, subdivision 1, is amended to read:

Subdivision 1. **Operation on roads and rights-of-way.** (a) Unless otherwise allowed in sections 84.92 to 84.928, a person shall not operate an all-terrain vehicle in this state along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way of a trunk, county state-aid, or county highway.

(b) A person may operate a class 1 all-terrain vehicle in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway unless prohibited under paragraph (d) or (f).

(c) A person may operate a class 2 all-terrain vehicle:

(1) within the public road right-of-way of a county state-aid or county highway on the extreme right-hand side of the road and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f);

(2) on the bank, slope, or ditch of a public road right-of-way of a trunk highway, but only to access businesses or make trail connections, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions, unless prohibited under paragraph (d) or (f); and

(3) A person may operate a class 2 all-terrain vehicle on the bank or ditch of a public road right-of-way;

(i) on a designated class 2 all-terrain vehicle trail; or

(ii) to access businesses or make trail connections when operation within the public road right-of-way is unsafe.

(d) A road authority as defined under section 160.02, subdivision 25, may after a public hearing restrict the use of all-terrain vehicles in the public road right-of-way under its jurisdiction.

(e) The restrictions in paragraphs (a), (d), (h), (i), and (j) do not apply to the operation of an all-terrain vehicle on the shoulder, inside bank or slope, ditch, or outside bank or slope of a trunk, interstate, county state-aid, or county highway:

(1) that is part of a funded grant-in-aid trail; or

(2) when the all-terrain vehicle is owned by or operated under contract with a publicly or privately owned utility or pipeline company and used for work on utilities or pipelines.

(f) The commissioner may limit the use of a right-of-way for a period of time if the commissioner determines that use of the right-of-way causes:

(1) degradation of vegetation on adjacent public property;

(2) siltation of waters of the state;

- (3) impairment or enhancement to the act of taking game; or
- (4) a threat to safety of the right-of-way users or to individuals on adjacent public property.

The commissioner must notify the road authority as soon as it is known that a closure will be ordered. The notice must state the reasons and duration of the closure.

(g) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

(h) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 25, or the Department of Natural Resources when performing or exercising official duties or powers.

(i) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

(j) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state."

Page 10, after line 24, insert:

"Sec. 27. Minnesota Statutes 2012, section 85.41, is amended by adding a subdivision to read:

Subd. 6. **Grant-in-aid trail donations.** (a) At the time of purchasing the pass required under subdivision 1, a person may agree to add a donation of any amount to the cross-country ski pass fee for grant-in-aid cross-country ski trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all pass purchasers and shall issue a recognition grant-in-aid trail sticker to a person contributing \$20 or more.

(b) Money donated under this subdivision shall be deposited in the cross-country ski account in the natural resources fund and shall be used for the grant-in-aid program as provided under section 85.43, paragraph (a), clause (1).

Sec. 28. Minnesota Statutes 2012, section 85.43, is amended to read:

85.43 DISPOSITION OF RECEIPTS; PURPOSE.

(a) Fees from cross-country ski passes and donations received under section 85.41, subdivision 6, shall be deposited in the state treasury and credited to a cross-country ski account in the natural resources fund and, except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, are appropriated to the commissioner of natural resources for the following purposes:

- (1) grants-in-aid for cross-country ski trails to:
 - (i) counties and municipalities for construction and maintenance of cross-country ski trails; and

- (ii) special park districts as provided in section 85.44 for construction and maintenance of cross-country ski trails; and
- (2) administration of the cross-country ski trail grant-in-aid program.

(b) Development and maintenance of state cross-country ski trails are eligible for funding from the cross-country ski account if the money is appropriated by law.

Sec. 29. Minnesota Statutes 2012, section 85.46, subdivision 6, is amended to read:

Subd. 6. **Disposition of receipts.** Fees and donations collected under this section, except for the issuing fee, shall be deposited in the state treasury and credited to the horse pass account in the natural resources fund. Except for the electronic licensing system commission established by the commissioner under section 84.027, subdivision 15, the fees are appropriated to the commissioner of natural resources for trail acquisition, trail and facility development, and maintenance, enforcement, and rehabilitation of horse trails or trails authorized for horse use, whether for riding, leading, or driving, on land administered by the commissioner.

Sec. 30. Minnesota Statutes 2012, section 85.46, is amended by adding a subdivision to read:

Subd. 8. **Trail donations.** At the time of purchasing the pass required under subdivision 1, a person may agree to add a donation of any amount to the horse pass fee for horse trails. An additional commission may not be assessed on the donation. The commissioner shall offer the opportunity to make a donation under this subdivision to all pass purchasers and shall issue a recognition trail sticker to a person contributing \$20 or more."

Page 20, delete section 40

Page 25, line 3, delete "43 to 45" and insert "56 to 58"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "providing for donations to grant-in-aid trail programs; modifying operating restrictions for all-terrain vehicles;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Huntley from the Committee on Health and Human Services Finance to which was referred:

H. F. No. 767, A bill for an act relating to human services; making changes to continuing care provisions; modifying provisions related to advisory task forces, nursing homes, resident relocation, medical assistance, long-term care consultation services, assessments, and reporting of maltreatment; requiring a report; amending Minnesota Statutes 2012, sections 15.014, subdivision 2; 144.0724, subdivision 12; 144A.071, subdivision 4d; 144A.161; 256B.056, subdivision 3; 256B.057, subdivision 9; 256B.0652, subdivision 5; 256B.0659, subdivision 7, by adding

a subdivision; 256B.0911, subdivision 3a; 256B.092, subdivision 7; 256B.441, subdivisions 1, 43, 63; 256B.49, subdivision 14; 256B.492; 626.557, subdivision 10; repealing Minnesota Statutes 2012, section 256B.437, subdivision 8; Laws 2012, chapter 216, article 11, section 31.

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

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 819, A bill for an act relating to the Public Facilities Authority; reorganizing certain grant programs; providing for small community wastewater treatment grants; amending Minnesota Statutes 2012, sections 446A.073, subdivisions 1, 3, 4; 446A.075, subdivisions 1a, 2, 5; repealing Minnesota Statutes 2012, sections 446A.051, subdivision 2; 446A.074.

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

The report was adopted.

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

H. F. No. 1010, A bill for an act relating to public safety; providing for a 36-month presumptive executed sentence for certain repeat sex offenders; amending Minnesota Statutes 2012, section 609.3455, by adding a subdivision.

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

The report was adopted.

Carlson from the Committee on Ways and Means to which was referred:

H. F. No. 1069, A bill for an act relating to state government; ratifying labor agreements and compensation plans.

Reported the same back with the following amendments:

Page 1, after line 21, insert:

"Subd. 5. **Minnesota Government Engineering Council.** The collective bargaining agreement between the state of Minnesota and the Minnesota Government Engineering Council, recommended for approval by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 21, 2013, is ratified.

Subd. 6. **Minnesota State University and Administrative Service Faculty.** The collective bargaining agreement between the state of Minnesota and the Minnesota State University and Administrative Service Faculty, recommended for approval by the Legislative Coordinating Commission Subcommittee on Employee Relations on March 21, 2013, is ratified."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1160, A bill for an act relating to judiciary; appropriating money for judiciary, Guardian Ad Litem Board, Tax Court, Board on Judicial Standards, Board of Public Defense, Uniform Laws Commission, and Sentencing Guidelines Commission.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
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>
General	\$385,885,000	\$398,930,000	\$784,815,000
Total	\$385,885,000	\$398,930,000	\$784,815,000

Sec. 2. **JUDICIARY APPROPRIATIONS.**

The sums shown in the columns marked "Appropriations" are appropriated to the agencies and for the purposes specified in this article. The appropriations are from the 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. "The first year" is fiscal year 2014. "The second year" is fiscal year 2015. "The biennium" is fiscal years 2014 and 2015. Appropriations for the fiscal year ending June 30, 2013, are effective the day following final enactment.

APPROPRIATIONS
Available for the Year
Ending June 30
2014 2015

Sec. 3. **SUPREME COURT**

Subdivision 1. <u>Total Appropriation</u>	<u>\$43,109,000</u>	<u>\$43,997,000</u>
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The amounts that may be spent for each purpose are specified in the following subdivisions.

Subd. 2. <u>Supreme Court Operations</u>	<u>31,593,000</u>	<u>32,481,000</u>
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Contingent Account. \$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

Subd. 3. Civil Legal Services**11,516,000****11,516,000****(a) Legal Services to Low-Income Clients in Family Law Matters.**

Of this appropriation, \$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

(b) Use of Funds. This appropriation shall be used to provide civil legal services to low-income Minnesota clients.

Sec. 4. COURT OF APPEALS**\$10,547,000****\$10,932,000**

The court of appeals general fund base shall be increased by \$69,000 in fiscal year 2016 and \$89,000 in fiscal year 2017.

Sec. 5. TRIAL COURTS**\$246,327,000****\$255,455,000**

Of this appropriation, \$925,000 each year is to develop, expand, and maintain specialty courts.

Sec. 6. GUARDIAN AD LITEM BOARD**\$12,414,000****\$12,756,000****Sec. 7. TAX COURT****\$993,000****\$1,000,000****Sec. 8. UNIFORM LAWS COMMISSION****\$147,000****\$84,000**

\$63,000 in fiscal year 2014 is to pay back dues owed to the National Conference of Commissioners on Uniform State Laws. This is a onetime appropriation.

Sec. 9. BOARD ON JUDICIAL STANDARDS**\$759,000****\$461,000**

(a) \$300,000 the first year is for deficiencies occurring in fiscal year 2013. This appropriation is available for expenditure the day following final enactment.

(b) \$125,000 each year is for special investigative and hearing costs for major disciplinary actions undertaken by the board. This appropriation does not cancel. Any encumbered and unspent balances remain available for these expenditures in subsequent fiscal years.

Sec. 10. BOARD OF PUBLIC DEFENSE**\$70,698,000****\$73,649,000**

From this appropriation, the board shall pay all outstanding billings as of June 30, 2013, for transcripts required to be provided by court reporters under Minnesota Statutes, section 243.49.

Sec. 11. **SENTENCING GUIDELINES****\$891,000****\$596,000**

\$300,000 in fiscal year 2014 is appropriated to the Minnesota Sentencing Guidelines Commission for transfer to the Office of Enterprise Technology for an electronic sentencing worksheet system. This is a onetime appropriation and is available until expended. Any ongoing information technology support or costs for this application shall be incorporated into the service-level agreement and shall be paid to the Office of Enterprise Technology.

ARTICLE 2
COURTS

Section 1. Minnesota Statutes 2012, section 357.021, is amended by adding a subdivision to read:

Subd. 2b. Court technology fund. (a) In addition to any other filing fee under this chapter, the court administrator shall collect a \$2 technology fee on filings made under subdivision 2, clauses (1) to (13). The court administrator shall transmit the fee monthly to the commissioner of management and budget for deposit in the court technology account in the special revenue fund.

(b) A court technology account is established as a special account in the state treasury and funds deposited in the account are appropriated to the Supreme Court for distribution of technology funds as provided in paragraph (d). Technology funds may be used for the following purposes: acquisition, development, support, maintenance, and upgrades to computer systems, equipment and devices, network systems, electronic records, filings and payment systems, interactive video teleconferencing, and online services, to be used by the state courts and their justice partners.

(c) The Supreme Court may establish a board consisting of members from the judicial branch, prosecutors, public defenders, corrections, and civil legal services to distribute funds collected under paragraph (a). The Supreme Court may adopt policies and procedures for the operation of the board, including but not limited to policies and procedures governing membership terms, removal of members, and the filling of membership vacancies.

(d) Applications for the expenditure of technology funds shall be accepted from judicial districts, county and city attorney offices, the Board of Public Defense, qualified legal services programs as defined under section 480.24, corrections agencies, and part-time public defender offices. The applications shall be reviewed by the Supreme Court and, if established, the board. In accordance with any recommendations from the board, the Supreme Court shall distribute the funds available for this expenditure to selected recipients. The funds to be distributed to selected recipients shall be distributed no less than twice per calendar year.

(e) On January 15, 2015, and every two years thereafter, the Supreme Court shall submit a report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over judiciary finance providing an accounting on the amounts collected and expended in the previous biennium, including a list of fund recipients, the amounts awarded to each recipient, and the technology purpose funded.

EFFECTIVE DATE. This section is effective July 1, 2013, and applies to filings made on or after that date.

Sec. 2. Minnesota Statutes 2012, section 357.021, subdivision 6, is amended to read:

Subd. 6. Surcharges on criminal and traffic offenders. (a) Except as provided in this paragraph, the court shall impose and the court administrator shall collect a ~~\$75~~ **\$90** surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other than a violation of a law or ordinance relating to vehicle parking, for which there shall be a \$12 surcharge. When a defendant is convicted of more than one offense in a

case, the surcharge shall be imposed only once in that case. In the Second Judicial District, the court shall impose, and the court administrator shall collect, an additional \$1 surcharge on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, including a violation of a law or ordinance relating to vehicle parking, if the Ramsey County Board of Commissioners authorizes the \$1 surcharge. The surcharge shall be imposed whether or not the person is sentenced to imprisonment or the sentence is stayed. The surcharge shall not be imposed when a person is convicted of a petty misdemeanor for which no fine is imposed.

(b) If the court fails to impose a surcharge as required by this subdivision, the court administrator shall show the imposition of the surcharge, collect the surcharge, and correct the record.

(c) The court may not waive payment of the surcharge required under this subdivision. Upon a showing of indigency or undue hardship upon the convicted person or the convicted person's immediate family, the sentencing court may authorize payment of the surcharge in installments.

(d) The court administrator or other entity collecting a surcharge shall forward it to the commissioner of management and budget.

(e) If the convicted person is sentenced to imprisonment and has not paid the surcharge before the term of imprisonment begins, the chief executive officer of the correctional facility in which the convicted person is incarcerated shall collect the surcharge from any earnings the inmate accrues from work performed in the facility or while on conditional release. The chief executive officer shall forward the amount collected to the court administrator or other entity collecting the surcharge imposed by the court.

(f) A person who enters a diversion program, continuance without prosecution, continuance for dismissal, or stay of adjudication for a violation of chapter 169 must pay the surcharge described in this subdivision. A surcharge imposed under this paragraph shall be imposed only once per case.

(g) The surcharge does not apply to administrative citations issued pursuant to section 169.999.

EFFECTIVE DATE. This section is effective July 1, 2013, and applies to dispositions on or after that date.

Sec. 3. Minnesota Statutes 2012, section 357.021, subdivision 7, is amended to read:

Subd. 7. **Disbursement of surcharges by commissioner of management and budget.** (a) Except as provided in paragraphs (b), (c), and (d), the commissioner of management and budget shall disburse surcharges received under subdivision 6 and section 97A.065, subdivision 2, as follows:

(1) one percent shall be credited to the peace officer training account in the game and fish fund to provide peace officer training for employees of the Department of Natural Resources who are licensed under sections 626.84 to 626.863, and who possess peace officer authority for the purpose of enforcing game and fish laws;

(2) 39 percent shall be credited to the peace officers training account in the special revenue fund; and

(3) 60 percent shall be credited to the general fund.

(b) The commissioner of management and budget shall credit \$3 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, to the general fund.

(c) In addition to any amounts credited under paragraph (a), the commissioner of management and budget shall credit ~~\$47~~ \$62 of each surcharge received under subdivision 6 and section 97A.065, subdivision 2, and the \$12 parking surcharge, to the general fund.

(d) If the Ramsey County Board of Commissioners authorizes imposition of the additional \$1 surcharge provided for in subdivision 6, paragraph (a), the court administrator in the Second Judicial District shall transmit the surcharge to the commissioner of management and budget. The \$1 special surcharge is deposited in a Ramsey County surcharge account in the special revenue fund and amounts in the account are appropriated to the trial courts for the administration of the petty misdemeanor diversion program operated by the Second Judicial District Ramsey County Violations Bureau.

EFFECTIVE DATE. This section is effective July 1, 2013, and applies to dispositions on or after that date.

Sec. 4. Minnesota Statutes 2012, section 357.022, is amended to read:

357.022 CONCILIATION COURT FEE.

(a) The court administrator in every county shall charge and collect a filing fee of ~~\$65~~ as prescribed in paragraph (b) from every plaintiff and from every defendant when the first paper for that party is filed in any conciliation court action. This section does not apply to conciliation court actions filed by the state. The court administrator shall transmit the fees monthly to the commissioner of management and budget for deposit in the state treasury and credit to the general fund.

(b) The fees to be charged and collected by the court administrator shall be as follows:

(1) if the amount of the money or property that is the subject matter of the claim does not exceed \$5,000, \$110;

(2) if the amount of the money or property that is the subject matter of the claim is more than \$5,000 but does not exceed \$10,000, \$125; and

(3) if the amount of the money or property that is the subject matter of the claim is more than \$10,000 but does not exceed \$15,000, \$150.

EFFECTIVE DATE. This section is effective July 1, 2013, and applies to actions filed on or after that date.

Sec. 5. Minnesota Statutes 2012, section 480A.02, subdivision 7, is amended to read:

Subd. 7. **Compensation; travel expenses.** (a) The salary of a judge of the Court of Appeals shall be as provided by section 15A.082. Except as provided in paragraph (b), travel expenses shall be paid by the state in the same manner and amount as provided for judges of the district court in section 484.54.

(b) For any judge of the Court of Appeals whose permanent place of residence is more than 50 miles from the judge's permanent chambers in St. Paul, in addition to travel expenses provided in paragraph (a), the judge shall be reimbursed for the following expenses during the judge's term of service on the Court of Appeals:

(1) housing expenses in an amount prescribed by judicial council policy, but not less than \$1,000 per month; and

(2) mileage for travel from the judge's permanent place of residence to and from the judge's permanent chambers charged at the current United States Internal Revenue Service reimbursement rate.

Reimbursable expenses under this paragraph shall be paid by the state in the same manner as provided for judges of the district court in section 484.54, subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2014.

Sec. 6. Minnesota Statutes 2012, section 629.59, is amended to read:

629.59 COURT TO FORGIVE BOND FORFEITURE PENALTY.

(a) When an action is brought in the name of the state against a principal or surety in a recognizance entered into by a party or witness in a criminal prosecution, and the penalty is judged forfeited, except as provided in paragraph (b), the court may forgive or reduce the penalty according to the circumstances of the case and the situation of the party on any terms and conditions it considers just and reasonable.

(b) If the court orders reinstatement of the bond, the court shall impose the following:

(1) a minimum penalty as provided in Rule 702 of Minnesota General Rules of Practice; and

(2) a reinstatement fee prescribed by court rule in an amount based on a percentage of the bond fee but in no instance less than \$100.

The minimum penalty shall be distributed by the courts as provided by law. The court administrator shall forward the reinstatement fee to the commissioner of management and budget to be credited in the general fund.

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

ARTICLE 3
GUARDIANS AND CONSERVATORS

Section 1. Minnesota Statutes 2012, section 245C.32, subdivision 2, is amended to read:

Subd. 2. **Use.** (a) The commissioner may also use these systems and records to obtain and provide criminal history data from the Bureau of Criminal Apprehension, criminal history data held by the commissioner, and data about substantiated maltreatment under section 626.556 or 626.557, for other purposes, provided that:

(1) the background study is specifically authorized in statute; or

(2) the request is made with the informed consent of the subject of the study as provided in section 13.05, subdivision 4.

(b) An individual making a request under paragraph (a), clause (2), must agree in writing not to disclose the data to any other individual without the consent of the subject of the data.

(c) The commissioner may recover the cost of obtaining and providing background study data by charging the individual or entity requesting the study a fee of no more than \$20 per study. The fees collected under this paragraph are appropriated to the commissioner for the purpose of conducting background studies.

(d) The commissioner shall recover the cost of obtaining background study data required under section 524.5-118 through a fee of \$22 per study for an individual who has not lived outside Minnesota for the past ten years, and a fee of \$37 for an individual who has resided outside of Minnesota for any period during the ten years preceding the background study. The commissioner shall recover, from the individual, any additional fees charged by other states' licensing agencies that are associated with these data requests. Fees under subdivision 3 also apply when criminal history data from the National Criminal Records Repository is required.

Sec. 2. Minnesota Statutes 2012, section 524.5-118, subdivision 1, is amended to read:

Subdivision 1. **When required; exception.** (a) The court shall require a background study under this section:

(1) before the appointment of a guardian or conservator, unless a background study has been done on the person under this section within the previous ~~five~~ two years; and

(2) once every ~~five~~ two years after the appointment, if the person continues to serve as a guardian or conservator.

(b) The background study must include:

(1) criminal history data from the Bureau of Criminal Apprehension, other criminal history data held by the commissioner of human services, and data regarding whether the person has been a perpetrator of substantiated maltreatment of a vulnerable adult and a or minor;

~~(c) The court shall request a search of the~~ (2) criminal history data from the National Criminal Records Repository if the proposed guardian or conservator has not resided in Minnesota for the previous ~~five~~ ten years or if the Bureau of Criminal Apprehension information received from the commissioner of human services under subdivision 2, paragraph (b), indicates that the subject is a multistate offender or that the individual's multistate offender status is undetermined; and

(3) state licensing agency data if the proposed guardian or conservator has ever been denied a professional license in the state of Minnesota or elsewhere that is directly related to the responsibilities of a professional fiduciary, or has ever held a professional license directly related to the responsibilities of a professional fiduciary that was conditioned, suspended, revoked, or canceled.

~~(c)~~ (c) If the guardian or conservator is not an individual, the background study must be done on all individuals currently employed by the proposed guardian or conservator who will be responsible for exercising powers and duties under the guardianship or conservatorship.

~~(d)~~ (d) If the court determines that it would be in the best interests of the ward or protected person to appoint a guardian or conservator before the background study can be completed, the court may make the appointment pending the results of the study, however, the background study must then be completed as soon as reasonably possible after appointment, no later than 30 days after appointment.

~~(e)~~ (e) The fee for conducting a background study for appointment of a professional guardian or conservator must be paid by the guardian or conservator. In other cases, the fee must be paid as follows:

(1) if the matter is proceeding in forma pauperis, the fee is an expense for purposes of section 524.5-502, paragraph (a);

(2) if there is an estate of the ward or protected person, the fee must be paid from the estate; or

(3) in the case of a guardianship or conservatorship of the person that is not proceeding in forma pauperis, the court may order that the fee be paid by the guardian or conservator or by the court.

~~(f)~~ (f) The requirements of this subdivision do not apply if the guardian or conservator is:

(1) a state agency or county;

(2) a parent or guardian of a proposed ward or protected person who has a developmental disability, if the parent or guardian has raised the proposed ward or protected person in the family home until the time the petition is filed, unless counsel appointed for the proposed ward or protected person under section 524.5-205, paragraph (d); 524.5-304, paragraph (b); 524.5-405, paragraph (a); or 524.5-406, paragraph (b), recommends a background study; or

(3) a bank with trust powers, bank and trust company, or trust company, organized under the laws of any state or of the United States and which is regulated by the commissioner of commerce or a federal regulator.

Sec. 3. Minnesota Statutes 2012, section 524.5-118, is amended by adding a subdivision to read:

Subd. 2a. **Procedure; state licensing agency data.** The court shall request the commissioner of human services to provide the court, within 25 working days of receipt of the request, with licensing agency data from the appropriate Minnesota licensing agencies, which agencies shall provide the data to the commissioner within ten working days, upon an e-mail request by the commissioner. The data provided by the commissioner to the court shall include, as applicable, license number and status; original date of issue; last renewal date; expiration date; date of the denial, condition, suspension, revocation, or cancellation; the name of the licensing agency that denied, conditioned, suspended, revoked, or canceled the license; and the basis for the denial, condition, suspension, revocation, or cancellation of the license. If the proposed guardian or conservator has resided in a state other than Minnesota in the previous ten years, licensing agency data shall also include the licensing agency data from any other state where the proposed guardian or conservator resided. If the proposed guardian or conservator has or has had a professional license in another state that is directly related to the responsibilities of a professional fiduciary, state licensing agency data shall also include data from the relevant licensing agency of that state.

Sec. 4. Minnesota Statutes 2012, section 524.5-303, is amended to read:

524.5-303 JUDICIAL APPOINTMENT OF GUARDIAN: PETITION.

(a) An individual or a person interested in the individual's welfare may petition for a determination of incapacity, in whole or in part, and for the appointment of a limited or unlimited guardian for the individual.

(b) The petition must set forth the petitioner's name, residence, current address if different, relationship to the respondent, and interest in the appointment and, to the extent known, state or contain the following with respect to the respondent and the relief requested:

(1) the respondent's name, age, principal residence, current street address, and, if different, the address of the dwelling in which it is proposed that the respondent will reside if the appointment is made;

(2) the name and address of the respondent's:

(i) spouse, or if the respondent has none, an adult with whom the respondent has resided for more than six months before the filing of the petition; and

(ii) adult children or, if the respondent has none, the respondent's parents and adult brothers and sisters, or if the respondent has none, at least one of the adults nearest in kinship to the respondent who can be found;

(3) the name of the administrative head and address of the institution where the respondent is a patient, resident, or client of any hospital, nursing home, home care agency, or other institution;

(4) the name and address of any legal representative for the respondent;

(5) the name, address, and telephone number of any person nominated as guardian by the respondent in any manner permitted by law, including a health care agent nominated in a health care directive;

(6) the name, address, and telephone number of any proposed guardian and the reason why the proposed guardian should be selected;

(7) the name and address of any health care agent or proxy appointed pursuant to a health care directive as defined in section 145C.01, a living will under chapter 145B, or other similar document executed in another state and enforceable under the laws of this state;

(8) the reason why guardianship is necessary, including a brief description of the nature and extent of the respondent's alleged incapacity;

(9) if an unlimited guardianship is requested, the reason why limited guardianship is inappropriate and, if a limited guardianship is requested, the powers to be granted to the limited guardian; and

(10) a general statement of the respondent's property with an estimate of its value, including any insurance or pension, and the source and amount of any other anticipated income or receipts.

(c) The petition must also set forth the following information regarding the proposed guardian or any employee of the guardian responsible for exercising powers and duties under guardianship:

(1) whether the proposed guardian has ever been removed for cause from serving as a guardian or conservator and, if so, the case number and court location; ~~and~~

(2) if the proposed guardian is a professional guardian or conservator, a summary of the proposed guardian's educational background and relevant work and other experience;

(3) whether the proposed guardian has ever applied for or held, at any time, any professional license and, if so, the name of the licensing agency, and as applicable, the license number and status; whether the license is active or has been denied, conditioned, suspended, revoked, or canceled; and the basis for the denial, condition, suspension, revocation, or cancellation of the license;

(4) whether the proposed guardian has ever been found civilly liable in an action that involved fraud, misrepresentation, material omission, misappropriation, theft, or conversion and, if so, the case number and court location;

(5) whether the proposed guardian has ever filed for or received protection under the bankruptcy laws and, if so, the case number and court location;

(6) whether there are any outstanding civil monetary judgments against the proposed guardian and, if so, the case number, court location, and outstanding amount owed;

(7) whether an order for protection or harassment restraining order has ever been issued against the proposed guardian and, if so, the case number and court location; and

(8) whether the proposed guardian has ever been convicted of a crime other than a petty misdemeanor or traffic offense and, if so, the case number and the crime of which the guardian was convicted.

Sec. 5. Minnesota Statutes 2012, section 524.5-316, is amended to read:

524.5-316 REPORTS; MONITORING OF GUARDIANSHIP; COURT ORDERS.

(a) A guardian shall report to the court in writing on the condition of the ward at least annually and whenever ordered by the court. A copy of the report must be provided to the ward and to interested persons of record with the court. A report must state or contain:

- (1) the current mental, physical, and social condition of the ward;
- (2) the living arrangements for all addresses of the ward during the reporting period;
- (3) any restrictions placed on the ward's right to communication and visitation with persons of the ward's choice and the factual bases for those restrictions;
- (4) the medical, educational, vocational, and other services provided to the ward and the guardian's opinion as to the adequacy of the ward's care;
- (5) a recommendation as to the need for continued guardianship and any recommended changes in the scope of the guardianship;
- (6) an address and telephone number where the guardian can be contacted; and
- ~~(7) whether the guardian has ever been removed for cause from serving as a guardian or conservator and, if so, the case number and court location;~~
- ~~(8) any changes occurring that would affect the accuracy of information contained in the most recent criminal background study of the guardian conducted under section 524.5-118; and~~
- ~~(9) (7) if applicable, the amount of reimbursement for services rendered to the ward that the guardian received during the previous year that were not reimbursed by county contract.~~

(b) A guardian shall report to the court in writing within 30 days of the occurrence of any of the events listed in this subdivision. The guardian must report any of the occurrences in this subdivision and follow the same reporting requirements in this subdivision for any employee of the guardian responsible for exercising powers and duties under the guardianship. A copy of the report must be provided to the ward and to interested persons of record with the court. A guardian shall report when:

- (1) the guardian is removed for cause from serving as a guardian or conservator and, if so, the case number and court location;
- (2) the guardian has a professional license denied, conditioned, suspended, revoked, or canceled and, if so, the licensing agency and license number, and the basis for denial, condition, suspension, revocation, or cancellation of the license;
- (3) the guardian is found civilly liable in an action that involves fraud, misrepresentation, material omission, misappropriation, theft, or conversion and, if so, the case number and court location;
- (4) the guardian files for or receives protection under the bankruptcy laws and, if so, the case number and court location;

(5) a civil monetary judgment is entered against the guardian and, if so, the case number, court location, and outstanding amount owed;

(6) the guardian is convicted of a crime other than a petty misdemeanor or traffic offense and, if so, the case number and court location; or

(7) an order for protection or a harassment restraining order is issued against the guardian and, if so, the case number and court location.

~~(b)~~ (c) A ward or interested person of record with the court may submit to the court a written statement disputing statements or conclusions regarding the condition of the ward or addressing any disciplinary or legal action that are ~~is~~ contained in the ~~report~~ guardian's reports and may petition the court for an order that is in the best interests of the ward or for other appropriate relief.

~~(e)~~ (d) An interested person may notify the court in writing that the interested person does not wish to receive copies of reports required under this section.

~~(d)~~ (e) The court may appoint a visitor to review a report, interview the ward or guardian, and make any other investigation the court directs.

~~(e)~~ (f) The court shall establish a system for monitoring guardianships, including the filing and review of annual reports. If an annual report is not filed within 60 days of the required date, the court shall issue an order to show cause.

(g) If a guardian fails to comply with this section, the court may decline to appoint that person as a guardian or conservator, or may remove a person as guardian or conservator.

Sec. 6. Minnesota Statutes 2012, section 524.5-403, is amended to read:

524.5-403 ORIGINAL PETITION FOR APPOINTMENT OR PROTECTIVE ORDER.

(a) The following may petition for the appointment of a conservator or for any other appropriate protective order:

(1) the person to be protected;

(2) an individual interested in the estate, affairs, or welfare of the person to be protected; or

(3) a person who would be adversely affected by lack of effective management of the property and business affairs of the person to be protected.

(b) The petition must set forth the petitioner's name, residence, current address if different, relationship to the respondent, and interest in the appointment or other protective order, and, to the extent known, state or contain the following with respect to the respondent and the relief requested:

(1) the respondent's name, age, principal residence, current street address, and, if different, the address of the dwelling where it is proposed that the respondent will reside if the appointment is made;

(2) if the petition alleges impairment in the respondent's ability to receive and evaluate information, a brief description of the nature and extent of the respondent's alleged impairment;

(3) if the petition alleges that the respondent is missing, detained, or unable to return to the United States, a statement of the relevant circumstances, including the time and nature of the disappearance or detention and a description of any search or inquiry concerning the respondent's whereabouts;

(4) the name and address of the respondent's:

(i) spouse, or if the respondent has none, an adult with whom the respondent has resided for more than six months before the filing of the petition; and

(ii) adult children or, if the respondent has none, the respondent's parents and adult brothers and sisters or, if the respondent has none, at least one of the adults nearest in kinship to the respondent who can be found;

(5) the name of the administrative head and address of the institution where the respondent is a patient, resident, or client of any hospital, nursing home, home care agency, or other institution;

(6) the name and address of any legal representative for the respondent;

(7) the name and address of any health care agent or proxy appointed pursuant to a health care directive as defined in section 145C.01, a living will under chapter 145B, or other similar document executed in another state and enforceable under the laws of this state;

(8) a general statement of the respondent's property with an estimate of its value, including any insurance or pension, and the source and amount of other anticipated income or receipts; and

(9) the reason why a conservatorship or other protective order is in the best interest of the respondent.

(c) If a conservatorship is requested, the petition must also set forth to the extent known:

(1) the name, address, and telephone number of any proposed conservator and the reason why the proposed conservator should be selected;

(2) the name, address, and telephone number of any person nominated as conservator by the respondent if the respondent has attained 14 years of age; and

(3) the type of conservatorship requested and, if an unlimited conservatorship, the reason why limited conservatorship is inappropriate or, if a limited conservatorship, the property to be placed under the conservator's control and any limitation on the conservator's powers and duties.

(d) The petition must also set forth the following information regarding the proposed conservator or any employee of the conservator responsible for exercising powers and duties under the conservatorship:

(1) whether the proposed conservator has ever been removed for cause from serving as a guardian or conservator and, if so, the case number and court location; ~~and~~

(2) if the proposed conservator is a professional guardian or conservator, a summary of the proposed conservator's educational background and relevant work and other experience.;

(3) whether the proposed conservator has ever applied for or held, at any time, any professional license and, if so, the name of the licensing agency and, as applicable, the license number and status; whether the license is active or has been denied, conditioned, suspended, revoked, or canceled; and the basis for the denial, condition, suspension, revocation, or cancellation of the license;

(4) whether the proposed conservator has ever been found civilly liable in an action that involved fraud, misrepresentation, material omission, misappropriation, theft, or conversion and, if so, the case number and court location;

(5) whether the proposed conservator has ever filed for or received protection under the bankruptcy laws and, if so, the case number and court location;

(6) whether there are any outstanding civil monetary judgments against the proposed conservator and, if so, the case number, court location, and outstanding amount owed;

(7) whether an order for protection or a harassment restraining order has ever been issued against the proposed conservator and, if so, the case number and court location; and

(8) whether the proposed conservator has ever been convicted of a crime other than a petty misdemeanor or traffic offense and, if so, the case number and the crime of which the conservator was convicted.

Sec. 7. Minnesota Statutes 2012, section 524.5-420, is amended to read:

524.5-420 REPORTS; APPOINTMENT OF VISITOR; MONITORING; COURT ORDERS.

(a) A conservator shall report to the court for administration of the estate annually unless the court otherwise directs, upon resignation or removal, upon termination of the conservatorship, and at other times as the court directs. An order, after notice and hearing, allowing an intermediate report of a conservator adjudicates liabilities concerning the matters adequately disclosed in the accounting. An order, after notice and hearing, allowing a final report adjudicates all previously unsettled liabilities relating to the conservatorship.

(b) A report must state or contain a listing of the assets of the estate under the conservator's control and a listing of the receipts, disbursements, and distributions during the reporting period.

(c) The report must also state:

~~(1) an address and telephone number where the conservator can be contacted;~~

~~(2) whether the conservator has ever been removed for cause from serving as a guardian or conservator and, if so, the case number and court locations; and~~

~~(3) any changes occurring that would affect the accuracy of information contained in the most recent criminal background study of the conservator conducted under section 524.5-118.~~

(d) A conservator shall report to the court in writing within 30 days of the occurrence of any of the events listed in this subdivision. The conservator must report any of the occurrences in this subdivision and follow the same reporting requirements in this subdivision for any employee of the conservator responsible for exercising powers and duties under the conservatorship. A copy of the report must be provided to the protected person and to interested persons of record with the court. A conservator shall report when:

(1) the conservator is removed for cause from serving as a guardian or conservator and, if so, the case number and court location;

(2) the conservator has a professional license denied, conditioned, suspended, revoked, or canceled and, if so, the licensing agency and license number, and the basis for denial, condition, suspension, revocation, or cancellation of the license;

(3) the conservator is found civilly liable in an action that involves fraud, misrepresentation, material omission, misappropriation, theft, or conversion and, if so, the case number and court location;

(4) the conservator files for or receives protection under the bankruptcy laws and, if so, the case number and court location;

(5) a civil monetary judgment is entered against the conservator and, if so, the case number, court location, and outstanding amount owed;

(6) the conservator is convicted of a crime other than a petty misdemeanor or traffic offense and, if so, the case number and court location; or

(7) an order for protection or harassment restraining order is issued against the conservator and, if so, the case number and court location.

~~(d)~~ (e) A protected person or an interested person of record with the court may submit to the court a written statement disputing account statements regarding the administration of the estate or addressing any disciplinary or legal action that ~~are~~ is contained in the ~~report~~ reports and may petition the court for any order that is in the best interests of the protected person and the estate or for other appropriate relief.

~~(e)~~ (f) An interested person may notify the court in writing that the interested person does not wish to receive copies of reports required under this section.

~~(f)~~ (g) The court may appoint a visitor to review a report or plan, interview the protected person or conservator, and make any other investigation the court directs. In connection with a report, the court may order a conservator to submit the assets of the estate to an appropriate examination to be made in a manner the court directs.

~~(g)~~ (h) The court shall establish a system for monitoring of conservatorships, including the filing and review of conservators' reports and plans. If an annual report is not filed within 60 days of the required date, the court shall issue an order to show cause.

(i) If a conservator fails to comply with this section, the court may decline to appoint that person as a guardian or conservator, or may remove a person as guardian or conservator."

Delete the title and insert:

"A bill for an act relating to judiciary; imposing certain court fees and surcharge; creating a court technology account in the special revenue fund; reimbursing certain expenses of Court of Appeals judges; modifying certain provisions related to guardians and conservators; appropriating money for judiciary, guardian ad litem board, tax court, Board on Judicial Standards, Board of Public Defense, Uniform Laws Commission, and sentencing guidelines; amending Minnesota Statutes 2012, sections 245C.32, subdivision 2; 357.021, subdivisions 6, 7, by adding a subdivision; 357.022; 480A.02, subdivision 7; 524.5-118, subdivision 1, by adding a subdivision; 524.5-303; 524.5-316; 524.5-403; 524.5-420; 629.59."

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

The report was adopted.

Murphy, E., from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1442, A bill for an act relating to natural resources; establishing aquatic invasive species decal requirements and fees; eliminating aquatic invasive species trailer decal requirements; requiring a report; appropriating money; amending Minnesota Statutes 2012, section 84D.15, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 86B; repealing Minnesota Statutes 2012, section 86B.13.

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

Joint Rule 2.03 has been waived for any subsequent committee action on this bill.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 729, 742, 819 and 1069 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 442 and 1086 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Lenczewski introduced:

H. F. No. 1743, A bill for an act relating to taxation; gross revenues and gross receipts; imposing a sports memorabilia tax; expanding the sales tax to rentals of certain suites and box seats; amending Minnesota Statutes 2012, sections 297A.61, subdivision 3; 297E.021, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 295.

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

Hamilton; Ward, J.A.; Torkelson; Swedzinski; Gruenhagen and McNamar introduced:

H. F. No. 1744, A resolution memorializing Congress to enact legislation that would reinstate the separation of commercial and investment banking functions in effect under the Glass-Steagall Act (Banking Act of 1933).

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

Schoen introduced:

H. F. No. 1745, A bill for an act relating to capital investment; permitting conveyances of bond-financed property.

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

Laine introduced:

H. F. No. 1746, A bill for an act relating to health; limiting a health maintenance organization's net worth; proposing coding for new law in Minnesota Statutes, chapter 62D.

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

Kelly introduced:

H. F. No. 1747, A bill for an act relating to health; creating an exception to the hospital construction moratorium; amending Minnesota Statutes 2012, section 144.551, subdivision 1.

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

Uglem and Hausman introduced:

H. F. No. 1748, A bill for an act relating to capital investment; appropriating money for the Champlin Mill Pond dam; 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.

Metsa introduced:

H. F. No. 1749, A bill for an act relating to capital investment; appropriating money for the Miners Memorial Arena; 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.

Paymar, Atkins and Hoppe introduced:

H. F. No. 1750, A bill for an act relating to liquor; authorizing a license in St. Paul.

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

Sundin and Atkins introduced:

H. F. No. 1751, A bill for an act relating to liquor; authorizing on-sale license in Carlton County.

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

Simonson introduced:

H. F. No. 1752, A bill for an act relating to public safety; providing for a 36-month presumptive executed sentence for certain repeat sex offenders; amending Minnesota Statutes 2012, section 609.3455, by adding a subdivision.

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

Fabian, Woodard, Schomacker, O'Driscoll, Swedzinski, Sanders, Scott, McDonald, Beard, Urdahl, Gruenhagen, Zellers and Kiel introduced:

H. F. No. 1753, A bill for an act relating to stadiums; reducing the state commitment to a Minnesota Vikings football stadium; amending Minnesota Statutes 2012, sections 16A.965, subdivision 2; 473J.11, subdivision 4.

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

Atkins; Schoen; Ward, J.E.; Bernardy; Murphy, M., and Kahn introduced:

H. F. No. 1754, A bill for an act relating to hospitals; prohibiting transfer of the University of Minnesota Hospitals to a non-Minnesota entity.

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

Atkins; Schoen; Ward, J.E.; Bernardy; Murphy, M., and Kahn introduced:

H. F. No. 1755, A bill for an act relating to commerce; requiring ownership and control of the University of Minnesota Hospitals by the University of Minnesota or a Minnesota nonprofit; amending Minnesota Statutes 2012, section 158.02.

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

Holberg introduced:

H. F. No. 1756, A bill for an act relating to data practices; regulating the handling of certain data on participants in the Safe at Home address confidentiality program; amending Minnesota Statutes 2012, sections 5B.07, subdivision 1; 13.82, subdivisions 17, 24; proposing coding for new law in Minnesota Statutes, chapter 13.

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

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. 953.

JOANNE M. ZOFF, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 953, A bill for an act relating to health; modifying a social work licensure provision; amending Minnesota Statutes 2012, section 148E.0555, subdivision 2.

The bill was read for the first time.

Allen moved that S. F. No. 953 and H. F. No. 1210, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

CALENDAR FOR THE DAY

H. F. No. 1378, A bill for an act relating to workers' compensation; modifying Workers' Compensation Court of Appeals personnel provisions; amending Minnesota Statutes 2012, section 175A.07, subdivision 2.

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

The question was taken on the passage of the bill and the roll was called. There were 129 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler	Bernardy	Dorholt	Fritz	Holberg	Kieffer
Albright	Bly	Drazkowski	Garofalo	Hoppe	Kiel
Allen	Brynaert	Erhardt	Green	Hornstein	Kresha
Anderson, M.	Carlson	Erickson, R.	Gruenhagen	Hortman	Laine
Anderson, P.	Clark	Erickson, S.	Gunther	Howe	Leidiger
Anderson, S.	Cornish	Fabian	Hackbarth	Huntley	Lenczewski
Anzels	Daudt	Falk	Halverson	Isaacson	Lesch
Atkins	Dauids	Faust	Hamilton	Johnson, B.	Liebling
Barrett	Davnie	Fischer	Hansen	Johnson, C.	Lien
Beard	Dean, M.	FitzSimmons	Hausman	Johnson, S.	Lillie
Benson, J.	Dehn, R.	Franson	Hertaus	Kahn	Loeffler
Benson, M.	Dettmer	Freiberg	Hilstrom	Kelly	Lohmer

Loon	Moran	Norton	Rosenthal	Simonson	Ward, J.E.
Mahoney	Morgan	O'Driscoll	Runbeck	Slocum	Winkler
Mariani	Mullery	O'Neill	Sanders	Sundin	Woodard
Marquart	Murphy, E.	Paymar	Savick	Swedzinski	Yarusso
Masin	Murphy, M.	Peppin	Sawatzky	Theis	Zellers
McDonald	Myhra	Persell	Schoen	Torkelson	Zerwas
McNamar	Nelson	Petersburg	Schomacker	Uglen	Spk. Thissen
McNamara	Newberger	Poppe	Scott	Urdahl	
Melin	Newton	Pugh	Selcer	Wagenius	
Metsa	Nornes	Radinovich	Simon	Ward, J.A.	

Those who voted in the negative were:

Quam	Wills
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The bill was passed and its title agreed to.

H. F. No. 504, A bill for an act relating to workers' compensation reinsurance; eliminating the reinsurance association prefunded limit; amending Minnesota Statutes 2012, section 79.35.

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

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Drazkowski	Gruenhagen	Hertaus	Peppin
FitzSimmons	Hackbarth	Kresha	

The bill was passed and its title agreed to.

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 Thursday, April 11, 2013 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 568, 748, 1243, 834 and 853; S. F. No. 166; H. F. Nos. 580, 131, 143 and 232; and S. F. No. 521.

MOTIONS AND RESOLUTIONS

Norton moved that the name of Johnson, C., be added as an author on H. F. No. 181. The motion prevailed.

Halverson moved that the name of Loeffler be added as an author on H. F. No. 362. The motion prevailed.

Woodard moved that his name be stricken as an author on H. F. No. 392. The motion prevailed.

Hansen moved that the names of Bernardy and Radinovich be added as authors on H. F. No. 568. The motion prevailed.

Hilstrom moved that the name of Freiberg be added as an author on H. F. No. 590. The motion prevailed.

Simon moved that the name of Hamilton be added as an author on H. F. No. 799. The motion prevailed.

Clark moved that the name of Dehn, R., be added as an author on H. F. No. 885. The motion prevailed.

Morgan moved that the names of Woodard and Bernardy be added as authors on H. F. No. 1003. The motion prevailed.

Davnie moved that the name of Loeffler be added as an author on H. F. No. 1080. The motion prevailed.

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

Hornstein moved that the name of Loeffler be added as an author on H. F. No. 1440. The motion prevailed.

Bly moved that the name of Clark be added as an author on H. F. No. 1653. The motion prevailed.

Kahn moved that the name of Clark be added as an author on H. F. No. 1656. The motion prevailed.

Urdahl moved that the names of Erhardt and Lillie be added as authors on H. F. No. 1720. The motion prevailed.

Kieffer moved that the name of Drazkowski be added as an author on H. F. No. 1722. The motion prevailed.

Franson moved that the name of Drazkowski be added as an author on H. F. No. 1723. The motion prevailed.

Pugh moved that the name of Nornes be added as an author on H. F. No. 1730. The motion prevailed.

Winkler moved that the name of Laine be added as an author on H. F. No. 1742. The motion prevailed.

Fabian moved that the name of Garofalo be added as an author on H. F. No. 1753. The motion prevailed.

Hansen moved that H. F. No. 568, now on the Calendar for the Day, be re-referred to the Committee on Ways and Means. The motion prevailed.

ADJOURNMENT

Murphy, E., moved that when the House adjourns today it adjourn until 3:00 p.m., Thursday, April 11, 2013. The motion prevailed.

Murphy, E., moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 3:00 p.m., Thursday, April 11, 2013.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives