

STATE OF MINNESOTA

NINETIETH SESSION — 2018

SEVENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 26, 2018

The House of Representatives convened at 3:30 p.m. and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by Pastor Jon Ellefson, Retired Lutheran Minister, Rosemount, 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:

Albright	Dehn, R.	Hertaus	Lillie	Newberger	Sauke
Allen	Dettmer	Hilstrom	Loeffler	Nornes	Schomacker
Anderson, P.	Drazkowski	Hoppe	Lohmer	O'Driscoll	Schultz
Anderson, S.	Ecklund	Hornstein	Loon	Olson	Scott
Applebaum	Erickson	Hortman	Loonan	Omar	Smith
Backer	Fabian	Howe	Lucero	O'Neill	Sundin
Bahr, C.	Fenton	Jessup	Lueck	Pelowski	Swedzinski
Barr, R.	Fischer	Johnson, B.	Mahoney	Peppin	Theis
Becker-Finn	Franke	Johnson, C.	Mariani	Petersburg	Thissen
Bennett	Freiberg	Jurgens	Marquart	Peterson	Torkelson
Bernardy	Garofalo	Kiel	Masin	Pierson	Uglen
Bliss	Green	Knoblach	Maye Quade	Pinto	Urdahl
Bly	Grossell	Koegel	McDonald	Poppe	Vogel
Carlson, A.	Gruenhagen	Koznick	Metsa	Poston	Wagenius
Carlson, L.	Gunther	Kresha	Miller	Pryor	Ward
Christensen	Haley	Kunesh-Podein	Munson	Pugh	West
Clark	Halverson	Layman	Murphy, E.	Quam	Whelan
Considine	Hamilton	Lee	Murphy, M.	Rarick	Wills
Davids	Hansen	Lesch	Nash	Rosenthal	Youakim
Davnie	Hausman	Liebling	Nelson	Runbeck	Zerwas
Dean, M.	Heintzeman	Lien	Neu	Sandstede	Spk. Daudt

A quorum was present.

Anselmo; Baker; Daniels; Flanagan; Franson; Johnson, S.; Moran and Slocum were excused.

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

PETITIONS AND COMMUNICATIONS

The following communication was received:

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

The Honorable Kurt L. Daudt
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2018 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F.</i> <i>No.</i>	<i>H. F.</i> <i>No.</i>	<i>Session Laws</i> <i>Chapter No.</i>	<i>Time and</i> <i>Date Approved</i> <i>2018</i>	<i>Date Filed</i> <i>2018</i>
3133		101	6:19 p.m. March 22	March 22

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 972, A bill for an act relating to health; authorizing the Emergency Medical Services Regulatory Board to adopt rules authorizing certified emergency medical services personnel to assist with administering certain emergency prescription medications and participate in care coordination; requiring rulemaking; amending Minnesota Statutes 2016, section 144E.16, by adding subdivisions.

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 1007, A bill for an act relating to state agencies; requiring certain criteria to be met before a state agency sues a local government; proposing coding for new law in Minnesota Statutes, chapter 15.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 1031, A bill for an act relating to health occupations; prohibiting certain activities unless performed or supervised by optometrists or licensed physicians; proposing coding for new law in Minnesota Statutes, chapter 145.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[145.7132] INTERNET VISION SCREENING; DISCLAIMER REQUIRED.**

Any entity that provides vision testing and prescriptions for ophthalmic goods through an Internet Web site must, prior to conducting a vision test, provide a disclaimer to the customer stating that the Web site test is not a substitute for a comprehensive eye health examination, and that the customer should consult an optometrist or ophthalmologist for a complete vision screening or comprehensive eye examination. The customer must acknowledge receipt of the disclaimer before proceeding with the vision test on the Web site."

Delete the title and insert:

"A bill for an act relating to public health; requiring a disclaimer from entities selling ophthalmic goods and services through the Internet; proposing coding for new law in Minnesota Statutes, chapter 145."

With the recommendation that when so amended the bill be re-referred to the Committee on Commerce and Regulatory Reform.

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1440, A bill for an act relating to health; establishing the Opioid Addiction Prevention and Treatment Advisory Council; establishing a special revenue fund for opioid addiction prevention and treatment; appropriating money; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 151.

Reported the same back with the following amendments:

Page 2, line 22, delete "17" and insert "18"

Page 3, line 15, delete "and"

Page 3, line 16, delete the period and insert "; and"

Page 3, after line 16, insert:

"(16) one advanced practice registered nurse appointed by the Board of Nursing."

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1933, A bill for an act relating to aeronautics; modifying provisions governing airport zoning; amending Minnesota Statutes 2016, sections 360.013, by adding a subdivision; 360.017, subdivision 1; 360.021, subdivision 1; 360.062; 360.063, subdivisions 1, 3; 360.064, subdivision 1; 360.065, subdivision 1; 360.066, subdivision 1; 360.067, by adding a subdivision; 360.071, subdivision 2; 360.305, subdivision 6; 394.22, by adding a subdivision; 394.23; 394.231; 394.25, subdivision 3; 462.352, by adding a subdivision; 462.355, subdivision 1; 462.357, subdivision 9, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 360; repealing Minnesota Statutes 2016, sections 360.063, subdivision 4; 360.065, subdivision 2; 360.066, subdivisions 1a, 1b.

Reported the same back with the following amendments:

Page 6, line 12, before "incorporated" insert "incorporated by reference or"

Page 6, line 31, reinstate the stricken "three"

Page 6, line 32, delete the new language and reinstate the stricken language

Page 7, line 1, delete the new language and reinstate the stricken language

Page 7, line 2, delete the new language

Page 7, line 4, after the period, insert "If there is not a second newspaper of wide general circulation in the area that the municipality, county, or joint airport zoning board can designate for the notice, the municipality, county, or joint airport zoning board is only required to publish the notice once in the official newspaper of the jurisdiction." and reinstate the stricken language

Page 7, line 5, before the first "must" insert "The notice"

Page 8, line 3, after "(b)" insert "Notwithstanding section 15.99,"

Page 11, line 3, after "(b)" insert "Notwithstanding section 15.99,"

Page 16, line 9, before "improvements" insert "airport"

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1974, A bill for an act relating to insurance; establishing a mental health and substance use disorder work group; requiring a report.

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 2116, A bill for an act relating to data privacy; protecting applicant's and employee's personal usernames and passwords from access by employers; providing for civil enforcement; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 2669, A bill for an act relating to higher education; imposing a sexual harassment reporting requirement on the University of Minnesota; requesting that the legislative auditor review sexual harassment policies at the University of Minnesota; amending Minnesota Statutes 2016, section 135A.15, subdivision 6.

Reported the same back with the following amendments:

Page 3, delete lines 3 to 5 and insert:

"(g) By October 1 of each year, the Board of Regents of the University of Minnesota must submit a report to the chairs and ranking minority members of the legislative committees with jurisdiction over higher education policy and finance. In addition to the data on sexual assault incidents described in paragraph (a), the report must include equivalent data on incidents of sexual harassment, as defined in the board's policy on sexual harassment. The report is subject to the requirements of paragraph (f)."

Page 3, delete section 2 and insert:

"Sec. 2. **UNIVERSITY OF MINNESOTA; APPEAL PROCESS FOR SEXUAL MISCONDUCT FINDINGS INVOLVING EMPLOYEES.**

The Board of Regents of the University of Minnesota is requested to amend its sexual misconduct policies to:

(1) provide a process for accused university employees and their victims to appeal findings of the university's Office of Equal Opportunity and Affirmative Action before an impartial decision-maker; and

(2) require the office, at the conclusion of a sexual misconduct investigation, to provide notice to accused university employees and their victims of any appeal rights."

Amend the title as follows:

Page 1, line 3, delete everything after "that" and insert "the Board of Regents amend"

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 2699, A bill for an act relating to family law; changing certain custody and parenting time provisions; amending Minnesota Statutes 2016, sections 257.541, subdivisions 2, 3; 518.003, subdivision 3; 518.091, by adding a subdivision; 518.131, subdivisions 1, 7; 518.155; 518.156, subdivision 2; 518.167, subdivision 2; 518.17, subdivisions 1, 3; 518.1705, subdivisions 3, 5, 9; 518.175, subdivision 1; 518.179, subdivision 1; 518.18; proposing coding for new law in Minnesota Statutes, chapter 518.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 518.17, subdivision 1, is amended to read:

Subdivision 1. **Best interests of the child.** (a) In evaluating the best interests of the child for purposes of determining issues of custody and parenting time, the court must consider and evaluate all relevant factors, including:

(1) a child's physical, emotional, cultural, spiritual, and other needs, and the effect of the proposed arrangements on the child's needs and development;

(2) any special medical, mental health, or educational needs that the child may have that may require special parenting arrangements or access to recommended services;

(3) the reasonable preference of the child, if the court deems the child to be of sufficient ability, age, and maturity to express an independent, reliable preference;

(4) whether domestic abuse, as defined in section 518B.01, has occurred in the parents' or either parent's household or relationship; the nature and context of the domestic abuse; and the implications of the domestic abuse for parenting and for the child's safety, well-being, and developmental needs;

(5) any physical, mental, or chemical health issue of a parent that affects the child's safety or developmental needs;

(6) the history and nature of each parent's participation in providing care for the child;

(7) the willingness and ability of each parent to provide ongoing care for the child; to meet the child's ongoing developmental, emotional, spiritual, and cultural needs; and to maintain consistency and follow through with parenting time;

(8) the effect on the child's well-being and development of changes to home, school, and community;

(9) the effect of the proposed arrangements on the ongoing relationships between the child and each parent, siblings, and other significant persons in the child's life;

(10) the benefit to the child in maximizing parenting time with both parents and the detriment to the child in limiting parenting time with either parent;

(11) except in cases in which domestic abuse as described in clause (4) has occurred, the disposition of each parent to support the child's relationship with the other parent and to encourage and permit frequent and continuing contact between the child and the other parent; and

(12) the willingness and ability of parents to cooperate in the rearing of their child; to maximize sharing information and minimize exposure of the child to parental conflict; and to utilize methods for resolving disputes regarding any major decision concerning the life of the child.

(b) Clauses (1) to (9) govern the application of the best interests of the child factors by the court:

(1) The court must make detailed findings on each of the factors in paragraph (a) based on the evidence presented and explain how each factor led to its conclusions and to the determination of custody and parenting time. The court may not use one factor to the exclusion of all others, and the court shall consider that the factors may be interrelated.

(2) The court shall consider that it is in the best interests of the child to promote the child's healthy growth and development through safe, stable, nurturing relationships between a child and both parents.

(3) The court shall consider both parents as having the capacity to develop and sustain nurturing relationships with their children unless there are substantial reasons to believe otherwise. In assessing whether parents are capable of sustaining nurturing relationships with their children, the court shall recognize that there are many ways that parents can respond to a child's needs with sensitivity and provide the child love and guidance, and these may differ between parents and among cultures.

(4) The court shall not consider conduct of a party that does not affect the party's relationship with the child.

(5) Disability alone, as defined in section 363A.03, of a proposed custodian or the child shall not be determinative of the custody of the child.

(6) The court shall consider evidence of a violation of section 609.507 in determining the best interests of the child.

(7) There is no presumption for or against joint physical custody, except as provided in clause (9).

(8) Joint physical custody does not require an absolutely equal division of time.

(9) The court shall use a rebuttable presumption that upon request of either or both parties, joint legal and physical custody is in the best interests of the child. However, the court shall use a rebuttable presumption that joint legal custody or joint physical custody is not in the best interests of the child if domestic abuse, as defined in section 518B.01, has occurred between the parents. In determining whether the presumption is rebutted, the court shall consider the nature and context of the domestic abuse and the implications of the domestic abuse for parenting and for the child's safety, well-being, and developmental needs. Disagreement alone over whether to grant sole or joint custody does not constitute an inability of parents to cooperate in the rearing of their children as referenced in paragraph (a), clause (12).

(c) In a proceeding involving the custodial responsibility of a service member's child, a court may not consider only a parent's past deployment or possible future deployment in determining the best interests of the child. For purposes of this paragraph, "custodial responsibility" has the meaning given in section 518E.102, paragraph (f).

Sec. 2. Minnesota Statutes 2016, section 518.175, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) In all proceedings for dissolution or legal separation, subsequent to the commencement of the proceeding and continuing thereafter during the minority of the child, the court shall, upon the request of either parent, grant such parenting time on behalf of the child and a parent as will enable the child and the parent to maintain a child to parent relationship that will be in the best interests of the child. The court, when issuing a parenting time order, may reserve a determination as to the future establishment or expansion of a parent's parenting time. In that event, the best interest standard set forth in subdivision 5, paragraph (a), shall be applied to a subsequent motion to establish or expand parenting time.

(b) If the court finds, after a hearing, that parenting time with a parent is likely to endanger the child's physical or emotional health or impair the child's emotional development, the court shall restrict parenting time with that parent as to time, place, duration, or supervision and may deny parenting time entirely, as the circumstances warrant. The court shall consider the age of the child and the child's relationship with the parent prior to the commencement of the proceeding.

(c) A parent's failure to pay support because of the parent's inability to do so shall not be sufficient cause for denial of parenting time.

(d) The court may provide that a law enforcement officer or other appropriate person will accompany a party seeking to enforce or comply with parenting time.

(e) Upon request of either party, to the extent practicable an order for parenting time must include a specific schedule for parenting time, including the frequency and duration of visitation and visitation during holidays and vacations, unless parenting time is restricted, denied, or reserved.

(f) The court administrator shall provide a form for a pro se motion regarding parenting time disputes, which includes provisions for indicating the relief requested, an affidavit in which the party may state the facts of the dispute, and a brief description of the parenting time expeditor process under section 518.1751. The form may not include a request for a change of custody. The court shall provide instructions on serving and filing the motion.

(g) In the absence of other evidence, there is a rebuttable presumption that a parent is entitled to receive a minimum of ~~25~~ 40 percent of the parenting time for the child unless the parents agree otherwise. For purposes of this paragraph, the percentage of parenting time may be determined by calculating the number of overnights that a child spends with a parent or by using a method other than overnights if the parent has significant time periods on separate days when the child is in the parent's physical custody but does not stay overnight. The court may consider the age of the child in determining whether a child is with a parent for a significant period of time."

Delete the title and insert:

"A bill for an act relating to family law; modifying parenting presumptions; amending Minnesota Statutes 2016, sections 518.17, subdivision 1; 518.175, subdivision 1."

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2829, A bill for an act relating to commerce; regulating real estate appraisals; creating an advisory board; prescribing its duties; amending Minnesota Statutes 2016, section 13D.08, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 82B.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2847, A bill for an act relating to natural resources; modifying Cuyuna Country State Recreation Area Citizens Advisory Council; amending Minnesota Statutes 2017 Supplement, section 85.0146, subdivision 1.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2868, A bill for an act relating to state government; requiring state agencies to dedicate a portion of their information technology expenditures to cyber security enhancements; amending Minnesota Statutes 2016, sections 16A.11, subdivision 1, by adding a subdivision; 16E.03, subdivision 7.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2887, A bill for an act relating to agriculture; prohibiting certain rules related to nitrogen fertilizer unless approved by law; amending Minnesota Statutes 2016, section 103H.275, subdivision 1.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2912, A bill for an act relating to state government; requiring payments within a certain time period and release of a retainage within a certain time period; amending Minnesota Statutes 2016, section 15.72.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 15.72, is amended by adding a subdivision to read:

Subd. 3. **Release of retainage.** (a) Upon substantial completion of a prime contractor's scope of work, a public contracting agency must release the retainage or final payment withheld from the prime contractor within 45 days.

(b) After substantial completion, a public contracting agency may withhold no more than 150 percent of the value of incomplete or defective work. Any amounts withheld for incomplete or defective work shall be paid within 45 days after the completion of the work.

(c) A public contracting agency may reduce the amount of retainage and may eliminate retainage if, in the public contracting agency's opinion, the work is progressing satisfactorily.

(d) As used in this subdivision, "substantial completion" shall be determined as provided in section 541.051, subdivision 1, paragraph (a).

EFFECTIVE DATE. This section applies to agreements entered into on or after August 1, 2018."

Amend the title as follows:

Page 1, line 2, delete "payments within a certain time period and"

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 2953, A bill for an act relating to open government; transferring certain responsibilities under chapter 13 from the commissioner of administration to the Office of Administrative Hearings; establishing a data practices coordinator position; amending the administrative remedy under chapter 13; appropriating money; amending Minnesota Statutes 2016, sections 13.02, by adding a subdivision; 13.08, subdivision 4; 13.085, subdivisions 2, 5, 6, by adding a subdivision; 13.685; 13D.06, subdivision 4; 14.54; Laws 2017, First Special Session chapter 4, article 1, sections 9, subdivisions 1, 3; 11, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapters 13; 14; repealing Minnesota Statutes 2016, sections 13.072, subdivisions 1, 2, 4; 13.085, subdivision 7.

Reported the same back with the following amendments:

Page 3, line 21, strike "written opinion issued under section 13.072" and insert "previously issued advisory opinion of the commissioner of administration or a prior decision of the office"

Page 3, line 22, after "opinion" insert "or decision"

Page 3, line 23, after "opinion" insert "or decision"

Page 12, delete section 17 and insert:

"Sec. 17. **REVISOR'S INSTRUCTION.**

In Minnesota Statutes, chapter 13, the revisor of statutes shall replace the term "commissioner of administration" with "chief administrative law judge" and the term "commissioner" with "chief administrative law judge" where it is clear the text is referring to the commissioner of administration."

Page 12, line 15, after "sections" insert "13.02, subdivision 2;"

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3012, A bill for an act relating to health; modifying payment for certain prescription medications; amending Minnesota Statutes 2016, section 151.71, by adding a subdivision.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3015, A bill for an act relating to human services; modifying correction order posting requirements for child care licensing; amending Minnesota Statutes 2017 Supplement, section 245A.06, subdivision 8.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3023, A bill for an act relating to health occupations; modifying physician continuing education requirements; amending Minnesota Statutes 2016, section 214.12, by adding a subdivision.

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3024, A bill for an act relating to health care; prohibiting a health plan company from contractually preventing a pharmacist from informing a patient of a price differential; amending Minnesota Statutes 2016, section 151.214, subdivision 2.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3044, A bill for an act relating to administrative rulemaking; requiring agencies to determine the impact of a proposed rule on the cost of residential construction or remodeling; requiring notice to the applicable legislative committees; permitting a legislative committee to require approval of a rule by law; proposing coding for new law in Minnesota Statutes, chapter 14.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Nornes from the Committee on Higher Education and Career Readiness Policy and Finance to which was referred:

H. F. No. 3062, A bill for an act relating to health; requiring the commissioner of human services to seek federal funding to implement an opioid awareness grant program for high school and college students; requiring a report.

Reported the same back with the following amendments:

Page 1, line 11, delete "high" and insert "secondary" and delete "9" and insert "7"

Page 1, line 16, delete "high" and insert "secondary"

Amend the title as follows:

Page 1, line 3, delete "high" and insert "secondary"

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3095, A bill for an act relating to solid waste; modifying waste management provisions; amending Minnesota Statutes 2016, section 115A.94, subdivisions 2, 4a, 4b, 4c, 4d, 5, by adding subdivisions.

Reported the same back with the following amendments:

Page 3, delete section 7 and insert:

"Sec. 7. Minnesota Statutes 2016, section 115A.94, is amended by adding a subdivision to read:

Subd. 4f. **Joint liability limited.** Notwithstanding section 604.02, an organized collection agreement must not obligate a participating licensed collector for damages to third parties solely caused by another participating licensed collector. The organized collection agreement may include joint obligations for actions that are undertaken by all the participating licensed collectors under this section."

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3101, A bill for an act relating to health; establishing licensure for health services executives; amending Minnesota Statutes 2016, section 144A.26.

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3169, A bill for an act relating to human services; modifying background study requirements for minors living in a licensed foster care home; amending Minnesota Statutes 2016, section 245C.05, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, before line 6, insert:

"Section 1. Minnesota Statutes 2017 Supplement, section 245C.04, subdivision 1, is amended to read:

Subdivision 1. **Licensed programs; other child care programs.** (a) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, at least upon application for initial license for all license types.

(b) The commissioner shall conduct a background study of an individual required to be studied under section 245C.03, subdivision 1, including a child care staff person as defined in section 245C.02, subdivision 6a, in a family child care program, licensed child care center, certified license-exempt child care center, or legal nonlicensed child care provider, on a schedule determined by the commissioner. The background study must include submission of fingerprints for a national criminal history record check and a review of the information under section 245C.08. A background study for a child care program must be repeated within five years from the most recent study conducted under this paragraph.

(c) At reapplication for a family child care license:

(1) for a background study affiliated with a licensed family child care center or legal nonlicensed child care provider, the individual shall provide information required under section 245C.05, subdivision 1, paragraphs (a), (b), and (d), to the county agency, and be fingerprinted and photographed under section 245C.05, subdivision 5;

(2) the county agency shall verify the information received under clause (1) and forward the information to the commissioner to complete the background study; and

(3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08.

(d) The commissioner is not required to conduct a study of an individual at the time of reapplication for a license if the individual's background study was completed by the commissioner of human services and the following conditions are met:

(1) a study of the individual was conducted either at the time of initial licensure or when the individual became affiliated with the license holder;

(2) the individual has been continuously affiliated with the license holder since the last study was conducted; and

(3) the last study of the individual was conducted on or after October 1, 1995.

(e) The commissioner of human services shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with a child foster care license holder:

(1) the county or private agency shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1 and 5, except as provided in section 245C.05, subdivision 5a, when the child foster care applicant or license holder resides in the home where child foster care services are provided;

(2) the child foster care license holder or applicant shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1 and 5, when the applicant or license holder does not reside in the home where child foster care services are provided; and

(3) the background study conducted by the commissioner of human services under this paragraph must include a review of the information required under section 245C.08, subdivisions 1, 3, and 4.

(f) The commissioner shall conduct a background study of an individual specified under section 245C.03, subdivision 1, paragraph (a), clauses (2) to (6), who is newly affiliated with an adult foster care or family adult day services and with a family child care license holder or a legal nonlicensed child care provider authorized under chapter 119B: (1) the county shall collect and forward to the commissioner the information required under section 245C.05, subdivision 1, paragraphs (a) and (b), and subdivision 5, paragraphs (a), (b), and (d), for background studies conducted by the commissioner for all family adult day services, for adult foster care when the adult foster care license holder resides in the adult foster care residence, and for family child care and legal nonlicensed child care authorized under chapter 119B; (2) the license holder shall collect and forward to the commissioner the information required under section 245C.05, subdivisions 1, paragraphs (a) and (b); and 5, paragraphs (a) and (b), for background studies conducted by the commissioner for adult foster care when the license holder does not reside in the adult foster care residence; and (3) the background study conducted by the commissioner under this paragraph must include a review of the information required under section 245C.08, subdivision 1, paragraph (a), and subdivisions 3 and 4.

(g) Applicants for licensure, license holders, and other entities as provided in this chapter must submit completed background study requests to the commissioner using the electronic system known as NETStudy before individuals specified in section 245C.03, subdivision 1, begin positions allowing direct contact in any licensed program.

(h) For an individual who is not on the entity's active roster, the entity must initiate a new background study through NETStudy when:

(1) an individual returns to a position requiring a background study following an absence of 120 or more consecutive days; or

(2) a program that discontinued providing licensed direct contact services for 120 or more consecutive days begins to provide direct contact licensed services again.

The license holder shall maintain a copy of the notification provided to the commissioner under this paragraph in the program's files. If the individual's disqualification was previously set aside for the license holder's program and the new background study results in no new information that indicates the individual may pose a risk of harm to persons receiving services from the license holder, the previous set-aside shall remain in effect.

(i) For purposes of this section, a physician licensed under chapter 147 is considered to be continuously affiliated upon the license holder's receipt from the commissioner of health or human services of the physician's background study results.

(j) For purposes of family child care, a substitute caregiver must receive repeat background studies at the time of each license renewal.

(k) A repeat background study at the time of license renewal is not required if the family child care substitute caregiver's background study was completed by the commissioner on or after October 1, 2017, and the substitute caregiver is on the license holder's active roster in NETStudy 2.0.

(l) Before and after school programs authorized under chapter 119B, are exempt from the background study requirements under section 123B.03, for an employee for whom a background study under this chapter has been completed.

Sec. 2. Minnesota Statutes 2017 Supplement, section 245C.05, subdivision 5, is amended to read:

Subd. 5. **Fingerprints and photograph.** (a) Before the implementation of NETStudy 2.0, except as provided in paragraph (c), for any background study completed under this chapter, when the commissioner has reasonable cause to believe that further pertinent information may exist on the subject of the background study, the subject shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency.

(b) Before the implementation of NETStudy 2.0, for purposes of requiring fingerprints, the commissioner has reasonable cause when, but not limited to, the:

(1) information from the Bureau of Criminal Apprehension indicates that the subject is a multistate offender;

(2) information from the Bureau of Criminal Apprehension indicates that multistate offender status is undetermined; or

(3) commissioner has received a report from the subject or a third party indicating that the subject has a criminal history in a jurisdiction other than Minnesota.

(c) Notwithstanding paragraph (d), for background studies conducted by the commissioner for child foster care, adoptions, or a transfer of permanent legal and physical custody of a child, the subject of the background study, who is 18 years of age or older, shall provide the commissioner with a set of classifiable fingerprints obtained from an authorized agency for a national criminal history record check.

(d) For background studies initiated on or after the implementation of NETStudy 2.0, except as provided in subdivision 5a, every subject of a background study must provide the commissioner with a set of the background study subject's classifiable fingerprints and photograph. The photograph and fingerprints must be recorded at the same time by the commissioner's authorized fingerprint collection vendor and sent to the commissioner through the commissioner's secure data system described in section 245C.32, subdivision 1a, paragraph (b). The fingerprints shall not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or the commissioner, but will be retained by the Federal Bureau of Investigation. The commissioner's authorized fingerprint collection vendor shall, for purposes of verifying the identity of the background study subject, be able to view the identifying information entered into NETStudy 2.0 by the entity that initiated the background study, but shall not retain the subject's fingerprints, photograph, or information from NETStudy 2.0. The authorized fingerprint collection vendor shall retain no more than the name and date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities.

(e) When specifically required by law, fingerprints collected under this section must be submitted for a national criminal history record check."

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3195, A bill for an act relating to health occupations; requiring the Council of Health Boards to study and make recommendations on increasing access to clinical experiences through the use of technology; appropriating money.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3196, A bill for an act relating to health insurance; establishing a step therapy protocol and override for prescription drug coverage; proposing coding for new law in Minnesota Statutes, chapter 62Q.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3205, A bill for an act relating to human services; modifying child care provisions related to homeless families; amending Minnesota Statutes 2016, sections 119B.011, by adding a subdivision; 119B.03, subdivision 9; Minnesota Statutes 2017 Supplement, sections 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.095, by adding a subdivision; 119B.13, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 24, delete "additional"

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3246, A bill for an act relating to human services; establishing a task force on childhood trauma-informed policy and practices; requiring a report.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3265, A bill for an act relating to human services; modifying child foster care training requirements; amending Minnesota Statutes 2016, section 245A.175.

Reported the same back with the following amendments:

Page 1, line 14, before "The" insert "Except for providers and services under chapter 245D."

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3290, A bill for an act relating to state government; modifying the Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans; amending Minnesota Statutes 2016, section 256C.28, subdivisions 1, 2, 3a, 5, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 8, strike "Minnesotans"

Page 3, line 25, delete "or" and insert "and"

Page 4, line 2, delete "MINNESOTANS"

Page 4, after line 9, insert:

"Sec. 7. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall change "Commission of Deaf, DeafBlind, and Hard-of-Hearing Minnesotans" to "Commission of the Deaf, DeafBlind, and Hard-of-Hearing" wherever these terms occur in Minnesota Statutes."

Amend the title as follows:

Page 1, line 3, delete "Minnesotans"

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3291, A bill for an act relating to health; authorizing statewide cessation services to help Minnesotans quit using tobacco products; establishing a tobacco cessation account in the special revenue fund; appropriating money; amending Minnesota Statutes 2016, section 16A.98, subdivision 12; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 3, after line 8, insert:

"Sec. 2. **TRANSFER.**

\$...... in fiscal year 2019 is transferred from the amount deposited in the general fund in fiscal year 2019 according to the settlement agreement to the tobacco cessation account established under Minnesota Statutes, section 144.397, in the special revenue fund. For purposes of this section, "settlement agreement" has the meaning given in Minnesota Statutes, section 16A.98, subdivision 1, paragraph (h)."

Reorder the sections in sequence

Amend the title as follows:

Page 1, line 4, delete "appropriating money" and insert "transferring money to the tobacco cessation account"

Correct the title numbers accordingly

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

The report was adopted.

Erickson from the Committee on Education Innovation Policy to which was referred:

H. F. No. 3315, A bill for an act relating to education; providing for prekindergarten through grade 12 education, including general education, education excellence, teachers, facilities and technology, nutrition, early childhood and family support, and self-sufficiency and lifelong learning; amending Minnesota Statutes 2016, sections 123B.14, subdivision 7; 124D.111, subdivisions 3, 4; 124D.78, subdivision 2; 124D.98, subdivision 3; 125B.07, subdivision 6; 126C.15, subdivision 5; 127A.45, subdivisions 11, 16; 128D.06, subdivision 1; Minnesota Statutes 2017 Supplement, sections 120B.35, subdivision 3; 121A.335, subdivision 3; 122A.09, by adding a subdivision; 122A.183, subdivision 2; 123B.52, subdivision 7; 124D.165, subdivisions 2, 3, 4; 124D.549; 136A.246, subdivision 4; 155A.30, subdivision 12; 609A.03, subdivision 7a; 626.556, subdivision 2; Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 23; repealing Minnesota Statutes 2016, sections 120B.35, subdivisions 4, 5; 123A.26, subdivision 3; 125A.75, subdivision 9; 128D.06, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
GENERAL EDUCATION

Section 1. Minnesota Statutes 2017 Supplement, section 123B.41, subdivision 2, is amended to read:

Subd. 2. **Textbook.** (a) "Textbook" means any book or book substitute, including electronic books as well as other printed materials delivered electronically, which a pupil uses as a text or text substitute in a particular class or program in the school regularly attended and a copy of which is expected to be available for the individual use of each pupil in this class or program. Textbook includes an online book with an annual subscription cost. Textbook includes a teacher's edition or teacher's guide that accompanies a textbook that a pupil uses.

(b) For purposes of calculating the annual nonpublic pupil aid entitlement for textbooks, the term shall be limited to books, workbooks, or manuals, whether bound or in loose-leaf form, as well as electronic books and other printed materials delivered electronically, intended for use as a principal source of study material for a given class or a group of students.

(c) For purposes of sections 123B.40 to 123B.48, the terms "textbook" and "software or other educational technology" include only such secular, neutral, and nonideological materials as are available, used by, or of benefit to Minnesota public school pupils.

EFFECTIVE DATE. This section is effective for revenue in fiscal year 2019 and later.

Sec. 2. Minnesota Statutes 2016, section 123B.41, subdivision 5, is amended to read:

Subd. 5. **Individualized instructional or cooperative learning materials.** "Individualized instructional or cooperative learning materials" means educational materials which:

(a) (1) are designed primarily for individual pupil use or use by pupils in a cooperative learning group in a particular class or program in the school the pupil regularly attends, including a teacher's edition or teacher's guide that accompanies materials that a pupil uses;

(b) (2) are secular, neutral, nonideological and not capable of diversion for religious use; and

(c) (3) are available, used by, or of benefit to Minnesota public school pupils.

Subject to the requirements in clauses (a) (1), (b) (2), and (c) (3), "individualized instructional or cooperative learning materials" include, but are not limited to, the following if they do not fall within the definition of "textbook" in subdivision 2: published materials; periodicals; documents; pamphlets; photographs; reproductions; pictorial or graphic works; prerecorded video programs; prerecorded tapes, cassettes and other sound recordings; manipulative materials; desk charts; games; study prints and pictures; desk maps; models; learning kits; blocks or cubes; flash cards; individualized multimedia systems; prepared instructional computer software programs; choral and band sheet music; electronic books and other printed materials delivered electronically; and CD-Rom.

"Individualized instructional or cooperative learning materials" do not include instructional equipment, instructional hardware, or ordinary daily consumable classroom supplies.

Sec. 3. Minnesota Statutes 2016, section 127A.45, subdivision 11, is amended to read:

Subd. 11. **Payment percentage for reimbursement aids.** One hundred percent of the aid for the previous fiscal year must be paid in the current year for the following aids: telecommunications/Internet access equity and according to section 125B.26, special education special pupil aid according to section 125A.75, subdivision 3, ~~aid for litigation costs according to section 125A.75, subdivision 9,~~ aid for court-placed special education expenses according to section 125A.79, subdivision 4, and aid for special education out-of-state tuition according to section 125A.79, subdivision 8, and shared time aid according to section 126C.01, subdivision 7.

Sec. 4. Minnesota Statutes 2016, section 127A.45, subdivision 16, is amended to read:

Subd. 16. **Payments to third parties.** Notwithstanding subdivision 3, the current year aid payment percentage of the ~~amounts amount~~ under ~~sections 123A.26, subdivision 3, and section 124D.041,~~ shall be paid in equal installments on August 30, December 30, and March 30, with a final adjustment payment on October 30 of the next fiscal year of the remaining amount.

ARTICLE 2
EDUCATION EXCELLENCE

Section 1. Minnesota Statutes 2016, section 120A.20, subdivision 2, is amended to read:

Subd. 2. **Education, residence, and transportation of homeless.** (a) Notwithstanding subdivision 1, a district must not deny free admission to a homeless pupil solely because the district cannot determine that the pupil is a resident of the district.

(b) The school district of residence for a homeless pupil shall be the school district in which the parent or legal guardian resides, unless: (1) parental rights have been terminated by court order; (2) the parent or guardian is not living within the state; or (3) the parent or guardian having legal custody of the child is an inmate of a Minnesota correctional facility or is a resident of a halfway house under the supervision of the commissioner of corrections. If any of clauses (1) to (3) apply, the school district of residence shall be the school district in which the pupil resided when the qualifying event occurred. If no other district of residence can be established, the school district of residence shall be the school district in which the pupil currently resides. If there is a dispute between school districts regarding residency, the district of residence is the district designated by the commissioner of education.

(c) Except as provided in paragraph (d), the serving district is responsible for transporting a homeless pupil to and from the pupil's district of residence. The district may transport from a permanent home in another district but only through the end of the academic school year. When a pupil is enrolled in a charter school, the district or school that provides transportation for other pupils enrolled in the charter school is responsible for providing transportation. When a homeless student with or without an individualized education program attends a public school other than an independent or special school district or charter school, the district of residence is responsible for transportation.

(d) For a homeless pupil with an individualized education plan enrolled in a program authorized by an intermediate school district, special education cooperative, service cooperative, or education district, the serving district at the time of the pupil's enrollment in the program remains responsible for transporting that pupil for the remainder of the school year unless the initial serving district and the current serving district mutually agree that the current serving district is responsible for transporting the homeless pupil.

EFFECTIVE DATE. This section is effective July 1, 2018.

Sec. 2. Minnesota Statutes 2016, section 120A.22, subdivision 7, is amended to read:

Subd. 7. **Education records.** (a) A district, a charter school, or a nonpublic school that receives services or aid under sections 123B.40 to 123B.48 from which a student is transferring must transmit the student's educational records, within ten business days of a request, to the district, the charter school, or the nonpublic school in which the student is enrolling. Districts, charter schools, and nonpublic schools that receive services or aid under sections 123B.40 to 123B.48 must make reasonable efforts to determine the district, the charter school, or the nonpublic school in which a transferring student is next enrolling in order to comply with this subdivision.

(b) A closed charter school must transfer the student's educational records, within ten business days of the school's closure, to the student's school district of residence where the records must be retained unless the records are otherwise transferred under this subdivision.

(c) A school district, a charter school, or a nonpublic school that receives services or aid under sections 123B.40 to 123B.48 that transmits a student's educational records to another school district or other educational entity, charter school, or nonpublic school to which the student is transferring must include in the transmitted records information about any formal suspension, expulsion, and exclusion disciplinary action or pupil withdrawal under sections 121A.40 to 121A.56. The transmitted records must include services a pupil needs to prevent the inappropriate

behavior from recurring. The district, the charter school, or the nonpublic school that receives services or aid under sections 123B.40 to 123B.48 must provide notice to a student and the student's parent or guardian that formal disciplinary records will be transferred as part of the student's educational record, in accordance with data practices under chapter 13 and the Family Educational Rights and Privacy Act of 1974, United States Code, title 20, section 1232(g).

(d) Notwithstanding section 138.17, a principal or chief administrative officer must remove from a student's educational record and destroy a probable cause notice received under section 260B.171, subdivision 5, or paragraph (e), if one year has elapsed since the date of the notice and the principal or chief administrative officer has not received a disposition or court order related to the offense described in the notice. This paragraph does not apply if the student no longer attends the school when this one-year period expires.

(e) A principal or chief administrative officer who receives a probable cause notice under section 260B.171, subdivision 5, or a disposition or court order, must include a copy of that data in the student's educational records if they are transmitted to another school, unless the data are required to be destroyed under paragraph (d) or section 121A.75.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 3. Minnesota Statutes 2016, section 120A.22, subdivision 12, is amended to read:

Subd. 12. **Legitimate exemptions.** (a) A parent, guardian, or other person having control of a child may apply to a school district to have the child excused from attendance for the whole or any part of the time school is in session during any school year. Application may be made to any member of the board, a truant officer, a principal, or the superintendent. The school district may state in its school attendance policy that it may ask the student's parent or legal guardian to verify in writing the reason for the child's absence from school. A note from a physician or a licensed mental health professional stating that the child cannot attend school is a valid excuse. The board of the district in which the child resides may approve the application upon the following being demonstrated to the satisfaction of that board:

(1) that the child's physical or mental health is such as to prevent attendance at school or application to study for the period required, which includes:

(i) child illness, medical, dental, orthodontic, or counseling appointments;

(ii) family emergencies;

(iii) the death or serious illness or funeral of an immediate family member;

~~(iv) active duty in any military branch of the United States;~~

~~(v)~~ (iv) the child has a condition that requires ongoing treatment for a mental health diagnosis; or

~~(vi)~~ (v) other exemptions included in the district's school attendance policy;

(2) that the child's parent, guardian, or other person having control of the child is in active duty in any branch of the United States armed forces;

(3) that the child is participating in any activity necessary for the child to join any branch of the United States armed forces and may be excused for up to three days for such purpose;

~~(2)~~ (4) that the child has already completed state and district standards required for graduation from high school; or

~~(3)~~ (5) that it is the wish of the parent, guardian, or other person having control of the child, that the child attend for a period or periods not exceeding in the aggregate three hours in any week, a school for religious instruction conducted and maintained by some church, or association of churches, or any Sunday school association incorporated under the laws of this state, or any auxiliary thereof. This school for religious instruction must be conducted and maintained in a place other than a public school building, and it must not, in whole or in part, be conducted and maintained at public expense. However, a child may be absent from school on such days as the child attends upon instruction according to the ordinances of some church.

(b) Notwithstanding subdivision 6, paragraph (a), a parent may withdraw a child from an all-day, every day kindergarten program and put their child in a half-day program, if offered, or an alternate-day program without being truant. A school board must excuse a kindergarten child from a part of a school day at the request of the child's parent.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 4. Minnesota Statutes 2017 Supplement, section 120B.021, subdivision 1, is amended to read:

Subdivision 1. **Required academic standards.** (a) The following subject areas are required for statewide accountability:

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, including history, geography, economics, and government and citizenship that includes civics consistent with section 120B.02, subdivision 3;

(5) physical education;

(6) health, for which locally developed academic standards apply consistent with paragraphs (d) and (e); and

(7) the arts, for which statewide or locally developed academic standards apply, as determined by the school district. Public elementary and middle schools must offer at least three and require at least two of the following four arts areas: dance; music; theater; and visual arts. Public high schools must offer at least three and require at least one of the following five arts areas: media arts; dance; music; theater; and visual arts.

(b) For purposes of applicable federal law, the academic standards for language arts, mathematics, and science apply to all public school students, except the very few students with extreme cognitive or physical impairments for whom an individualized education program team has determined that the required academic standards are inappropriate. An individualized education program team that makes this determination must establish alternative standards.

(c) The department must adopt the most recent SHAPE America (Society of Health and Physical Educators) kindergarten through grade 12 standards and benchmarks for physical education as the required physical education academic standards. The department may modify and adapt the national standards to accommodate state interest. The modification and adaptations must maintain the purpose and integrity of the national standards. The department must make available sample assessments, which school districts may use as an alternative to local assessments, to assess students' mastery of the physical education standards beginning in the 2018-2019 school year.

(d) A school district ~~may~~ must include child sexual abuse and sexual exploitation prevention instruction in a health curriculum, consistent with paragraph (a), clause (6). Child sexual abuse and sexual exploitation prevention instruction ~~may~~ must include age-appropriate instruction on recognizing sexual abuse ~~and~~, assault, and sexual exploitation; boundary violations; and ways offenders identify, groom, or desensitize victims, as well as strategies to promote disclosure, reduce self-blame, and mobilize bystanders. A school district may consult with other federal, state, or local agencies and community-based organizations to identify research-based tools, curricula, and programs to prevent child sexual abuse and sexual exploitation. A school district may provide instruction under this paragraph in a variety of ways, including at an annual assembly or classroom presentation. A school district may also provide parents information on the warning signs of child sexual abuse and sexual exploitation and available resources. Child sexual exploitation prevention instruction must be consistent with the definition of sexually exploited youth under section 260C.007, subdivision 31.

(e) A school district must include instruction in a health curriculum for students in grades 5, 6, 8, 10, and 12 on substance misuse prevention, including opioids, controlled substances as defined in section 152.01, subdivision 4, prescription and nonprescription medications, and illegal drugs. A school district must use an evidence-based curriculum but is not required to use a specific methodology or curriculum.

(f) District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 5. Minnesota Statutes 2016, section 120B.024, subdivision 1, is amended to read:

Subdivision 1. **Graduation requirements.** Students ~~beginning 9th grade in the 2011-2012 school year and later~~ must successfully complete the following high school level credits for graduation:

- (1) four credits of language arts sufficient to satisfy all of the academic standards in English language arts;
- (2) three credits of mathematics, including an algebra II credit or its equivalent, sufficient to satisfy all of the academic standards in mathematics;
- (3) an algebra I credit by the end of 8th grade sufficient to satisfy all of the 8th grade standards in mathematics;
- (4) three credits of science, including at least one credit of biology, one credit of chemistry or physics, and one elective credit of science. The combination of credits under this clause must be sufficient to satisfy (i) all of the academic standards in either chemistry or physics and (ii) all other academic standards in science;
- (5) three and one-half credits of social studies, including a credit for a specific course in government and citizenship in either 11th or 12th grade for students beginning 9th grade in the 2020-2021 school year and later, and a combination of other credits encompassing at least United States history, geography, ~~government and citizenship~~, world history, and economics sufficient to satisfy all of the academic standards in social studies;
- (6) one credit of the arts sufficient to satisfy all of the state or local academic standards in the arts; and
- (7) a minimum of seven elective credits.

Sec. 6. Minnesota Statutes 2016, section 120B.11, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** For the purposes of this section and section 120B.10, the following terms have the meanings given them.

(a) "Instruction" means methods of providing learning experiences that enable a student to meet state and district academic standards and graduation requirements including applied and experiential learning.

(b) "Curriculum" means district or school adopted programs and written plans for providing students with learning experiences that lead to expected knowledge and skills and career and college readiness.

(c) "World's best workforce" means striving to: meet school readiness goals; have all third grade students achieve grade-level literacy; close the academic achievement gap among all racial and ethnic groups of students and between students living in poverty and students not living in poverty; have all students attain career and college readiness before graduating from high school; and have all students graduate from high school.

(d) "Experiential learning" means learning for students that includes career exploration through a specific class or course or through work-based experiences such as job shadowing, mentoring, entrepreneurship, service learning, volunteering, internships, other cooperative work experience, youth apprenticeship, or employment.

(e) "State plan" means the plan submitted by the commissioner in accordance with the Elementary and Secondary Education Act, as most recently authorized, and approved by the United States Department of Education, including state goals.

(f) "Ineffective teacher" means a teacher whose most recent summative teacher evaluation resulted in placing or otherwise keeping the teacher on an improvement process pursuant to section 122A.40, subdivision 8, or 122A.41, subdivision 5.

(g) "Inexperienced teacher" means a licensed teacher who has been employed as a teacher for three years or less.

(h) "Out-of-field teacher" means a licensed teacher who is providing instruction in an area in which the teacher is not licensed.

Sec. 7. Minnesota Statutes 2016, section 120B.11, subdivision 1a, is amended to read:

Subd. 1a. **Performance measures.** Measures to determine school district and school site progress in striving to create the world's best workforce must include at least:

(1) the size of the academic achievement gap as measured on the Minnesota Comprehensive Assessments, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;

(2) student performance on the Minnesota Comprehensive Assessments in reading and mathematics;

(3) high school graduation rates; ~~and~~

(4) career and college readiness under section 120B.30, subdivision 1, paragraph (p), as measured by student performance on the high school Minnesota Comprehensive Assessments in reading and mathematics, and successful completion of rigorous coursework that is part of a well-rounded education, including Advanced Placement, International Baccalaureate, or concurrent enrollment coursework, or attainment of a certificate or industry-recognized credential; and

(5) performance measures consistent with the state plan not otherwise required by this subdivision.

Sec. 8. Minnesota Statutes 2016, section 120B.11, subdivision 2, is amended to read:

Subd. 2. **Adopting plans and budgets.** A school board, at a public meeting, ~~shall~~ must adopt a comprehensive, long-term strategic plan to support and improve teaching and learning that is aligned with creating the world's best workforce and includes:

(1) clearly defined district and school site ~~goals and benchmarks for~~ toward meeting statewide goals for instruction and student achievement for all student subgroups identified in section 120B.35, subdivision 3, paragraph (b), clause (2);

(2) a process to assess and evaluate each student's progress toward meeting state and local academic standards, assess and identify students to participate in gifted and talented programs and accelerate their instruction, and adopt early-admission procedures consistent with section 120B.15, and identifying the strengths and weaknesses of instruction in pursuit of student and school success and curriculum affecting students' progress and growth toward career and college readiness and leading to the world's best workforce;

(3) a system to periodically review and evaluate the effectiveness of all instruction and curriculum, taking into account strategies and best practices, student outcomes, school principal evaluations under section 123B.147, subdivision 3, students' access to effective teachers who are members of populations underrepresented among the licensed teachers in the district or school and who reflect the diversity of enrolled students under section 120B.35, subdivision 3, paragraph (b), clause (2), and teacher evaluations under section 122A.40, subdivision 8, or 122A.41, subdivision 5;

(4) strategies for improving instruction, curriculum, and student achievement, including the English and, where practicable, the native language development and the academic achievement of English learners;

(5) a process to examine the equitable distribution of teachers and strategies to ensure low-income and minority children are not taught at higher rates than other children by inexperienced, ineffective, or out-of-field teachers;

(6) education effectiveness practices that integrate high-quality instruction, rigorous curriculum, technology, and a collaborative professional culture that develops and supports teacher quality, performance, and effectiveness; and

(7) an annual budget for continuing to implement the district plan.

Sec. 9. Minnesota Statutes 2016, section 120B.11, subdivision 5, is amended to read:

Subd. 5. **Report.** ~~Consistent with requirements for school performance reports under section 120B.36, subdivision 1, the school board shall publish a report in the local newspaper with the largest circulation in the district, by mail, or by electronic means on the district Web site. (a) The school board shall must hold an annual public meeting to review, and revise where appropriate, student achievement goals, local assessment outcomes, plans, strategies, and practices for improving curriculum and instruction and cultural competency, and efforts to equitably distribute diverse, effective, experienced, and in-field teachers, and to review district success in realizing the previously adopted student achievement goals and related benchmarks and the improvement plans leading to the world's best workforce. The school board must transmit an electronic summary of its report to the commissioner in the form and manner the commissioner determines.~~

(b) The commissioner must annually include in the school performance reports required under section 120B.36, subdivision 1, student performance at each school district and school site using the performance measures in subdivision 1a and other information required under this subdivision. The school board must post a copy of the school performance report for the district and each school site on the district's Web site, or provide a link to the district and school site performance reports on the Department of Education's Web site.

Sec. 10. Minnesota Statutes 2016, section 120B.11, subdivision 9, is amended to read:

Subd. 9. **Annual evaluation.** (a) The commissioner must identify effective strategies, practices, and use of resources by districts and school sites in striving for the world's best workforce. The commissioner must assist districts and sites throughout the state in implementing these effective strategies, practices, and use of resources.

(b) The commissioner must use the performance measures in subdivision 1a to identify those districts in any consecutive three year period and school sites not making sufficient progress in any consecutive three-year period toward improving teaching and learning meeting performance goals for all students, including English learners with varied needs, consistent with section 124D.59, subdivisions 2 and 2a, and striving for the world's best workforce.

(c) The commissioner must review the curricula of a sample of at least three and up to five identified school sites to ensure the curricula are aligned with statewide reading and math standards for grades 3, 5, and 8. The sample of school sites must be of varied size and geographic distribution.

(d) The commissioner, in collaboration with the identified district, may require the district to use up to two percent of its basic general education revenue per fiscal year during the proximate three school years to implement ~~commissioner specified~~ evidence-based strategies and best practices, consistent with paragraph (a), to improve and accelerate its progress in realizing its goals under this section. In implementing this section, the commissioner must consider districts' budget constraints and legal obligations.

~~(e)~~ (e) The commissioner ~~shall~~ must report by January 25 of each year to the committees of the legislature having jurisdiction over kindergarten through grade 12 education the list of school districts that have not submitted their report to the commissioner under subdivision 5 and the list of school districts ~~not achieving their performance goals established in their plan under subdivision 2~~ identified as not making sufficient progress toward meeting world's best workforce goals under subdivision 1, paragraph (b).

Sec. 11. Minnesota Statutes 2017 Supplement, section 120B.12, subdivision 2, is amended to read:

Subd. 2. **Identification; report.** (a) Each school district ~~shall~~ must identify before the end of kindergarten, grade 1, and grade 2 students who are not reading at grade level before the end of the current school year and ~~shall~~ must identify students in grade 3 or higher who demonstrate a reading difficulty to a classroom teacher. A school district must screen for dyslexia: (1) all students between the beginning of kindergarten and the beginning of grade 2; and (2) any student in grade 2 or higher who is identified as exhibiting characteristics associated with dyslexia.

(b) Reading assessments in English, and in the predominant languages of district students where practicable, must identify and evaluate students' areas of academic need related to literacy. The district also must monitor the progress and provide reading instruction appropriate to the specific needs of English learners. The district must use a locally adopted, developmentally appropriate, and culturally responsive assessment and annually report summary assessment results to the commissioner by July 1.

(c) The district ~~also~~ must annually report to the commissioner by July 1 a summary of the district's efforts to screen and identify students with:

(1) dyslexia, using screening tools such as those recommended by the department's dyslexia and literacy specialist; or

(2) convergence insufficiency disorder.

~~(b)~~ (d) A student identified under this subdivision must be provided with alternate instruction under section 125A.56, subdivision 1.

EFFECTIVE DATE. This section is effective July 1, 2019.

Sec. 12. Minnesota Statutes 2017 Supplement, section 120B.122, subdivision 1, is amended to read:

Subdivision 1. **Purpose Duties.** (a) The department must employ a dyslexia specialist to provide technical assistance for dyslexia and related disorders and to serve as the primary source of information and support for schools in addressing the needs of students with dyslexia and related disorders.

(b) The dyslexia specialist ~~shall also~~ must act to increase professional awareness and instructional competencies to meet the educational needs of students with dyslexia or identified with risk characteristics associated with dyslexia and ~~shall~~ must develop implementation guidance and make recommendations to the commissioner consistent with section 122A.06, subdivision 4, to be used to assist general education teachers and special education teachers to recognize educational needs and to improve literacy outcomes for students with dyslexia or identified with risk characteristics associated with dyslexia, including recommendations related to increasing the availability of online and asynchronous professional development programs and materials.

(c) The dyslexia specialist must provide guidance to school districts and charter schools on how to:

(1) access tools to screen and identify students showing characteristics associated with dyslexia in accordance with section 120B.12, subdivision 2, paragraph (a);

(2) implement screening for characteristics associated with dyslexia in accordance with section 120B.12, subdivision 2, paragraph (a), and in coordination with other early childhood screenings; and

(3) participate in professional development opportunities on intervention strategies and accommodations for students with dyslexia or characteristics associated with dyslexia.

Sec. 13. Minnesota Statutes 2017 Supplement, section 120B.125, is amended to read:

120B.125 PLANNING FOR STUDENTS' SUCCESSFUL TRANSITION TO POSTSECONDARY EDUCATION AND EMPLOYMENT; PERSONAL LEARNING PLANS.

(a) Consistent with sections 120B.13, 120B.131, 120B.132, 120B.14, 120B.15, 120B.30, subdivision 1, paragraph (c), 125A.08, and other related sections, school districts, beginning in the 2013-2014 school year, must assist all students by no later than grade 9 to explore their educational, college, and career interests, aptitudes, and aspirations and develop a plan for a smooth and successful transition to postsecondary education or employment. All students' plans must:

(1) provide a comprehensive plan to prepare for and complete a career and college ready curriculum by meeting state and local academic standards and developing career and employment-related skills such as team work, collaboration, creativity, communication, critical thinking, and good work habits;

(2) emphasize academic rigor and high expectations and inform the student, and the student's parent or guardian if the student is a minor, of the student's achievement level score on the Minnesota Comprehensive Assessments that are administered during high school;

(3) help students identify interests, aptitudes, aspirations, and personal learning styles that may affect their career and college ready goals and postsecondary education and employment choices;

(4) set appropriate career and college ready goals with timelines that identify effective means for achieving those goals;

(5) help students access education and career options, including armed forces career options;

(6) integrate strong academic content into career-focused courses and applied and experiential learning opportunities and integrate relevant career-focused courses and applied and experiential learning opportunities into strong academic content;

(7) help identify and access appropriate counseling and other supports and assistance that enable students to complete required coursework, prepare for postsecondary education and careers, and obtain information about postsecondary education costs and eligibility for financial aid and scholarship;

(8) help identify collaborative partnerships among prekindergarten through grade 12 schools, postsecondary institutions, economic development agencies, and local and regional employers that support students' transition to postsecondary education and employment and provide students with applied and experiential learning opportunities; and

(9) be reviewed and revised at least annually by the student, the student's parent or guardian, and the school or district to ensure that the student's course-taking schedule keeps the student making adequate progress to meet state and local academic standards and high school graduation requirements and with a reasonable chance to succeed with employment or postsecondary education without the need to first complete remedial course work.

(b) A school district may develop grade-level curricula or provide instruction that introduces students to various careers, but must not require any curriculum, instruction, or employment-related activity that obligates an elementary or secondary student to involuntarily select or pursue a career, career interest, employment goals, or related job training.

(c) Educators must possess the knowledge and skills to effectively teach all English learners in their classrooms. School districts must provide appropriate curriculum, targeted materials, professional development opportunities for educators, and sufficient resources to enable English learners to become career and college ready.

(d) When assisting students in developing a plan for a smooth and successful transition to postsecondary education and employment, districts must recognize the unique possibilities of each student and ensure that the contents of each student's plan reflect the student's unique talents, skills, and abilities as the student grows, develops, and learns.

(e) If a student with a disability has an individualized education program (IEP) or standardized written plan that meets the plan components of this section, the IEP satisfies the requirement and no additional transition plan is needed.

(f) Students who do not meet or exceed Minnesota academic standards, as measured by the Minnesota Comprehensive Assessments that are administered during high school, shall be informed that admission to a public school is free and available to any resident under 21 years of age or who meets the requirements of section 120A.20, subdivision 1, paragraph (c). A student's plan under this section shall continue while the student is enrolled.

(g) A school district must provide military recruiters and representatives of organizations promoting careers in the skilled trades and manufacturing the same access to secondary school students as the district provides to institutions of higher education or to prospective employers of students.

(h) School districts are encouraged to sponsor an armed forces career opportunity day each school year prior to the third Thursday of November. A school district that sponsors an armed forces career opportunity day shall extend invitations to recruiters from each branch of the United States armed forces and allow the recruiters to make presentations to all interested secondary school students.

Sec. 14. **[120B.215] SUBSTANCE MISUSE PREVENTION.**

(a) This section may be cited as "Jake's Law."

(b) School districts and charter schools must include substance misuse prevention instruction in a health curriculum for students in grades 5, 6, 8, 10, and 12, in accordance with section 120B.021, subdivision 1, paragraph (e).

(c) School districts and charter schools are encouraged to provide substance misuse prevention instruction for students in grades 5 through 12 integrated into existing programs, curriculum, or the general school environment of a district or charter school. The commissioner of education, in consultation with the director of the Alcohol and Other Drug Abuse Section under section 254A.03 and substance misuse prevention and treatment organizations, must, upon request, provide districts and charter schools with:

(1) information regarding substance misuse prevention services; and

(2) assistance in using high-quality research to develop evidence-based prevention programs.

EFFECTIVE DATE. This section is effective July 1, 2018, except that paragraph (b) is effective for the 2019-2020 school year and later.

Sec. 15. **[120B.237] PATRIOTIC SOCIETY ACCESS TO SCHOOLS.**

Subdivision 1. **Definition.** For purposes of this section, "patriotic society" means any group or organization intended to serve young people under the age of 21 listed in United States Code, title 36, subtitle II, part B, or any of the group's or organization's affiliates.

Subd. 2. **School access.** Upon receiving notice under subdivision 3, a school board is encouraged to provide a representative of a patriotic society the opportunity to speak with students during the school day for the purpose of providing information about how the patriotic society supports educational interests and civic involvement. The school board may limit the opportunity to speak at a school to a holiday when the district conducts school in accordance with section 120A.42 and no more than 30 minutes of instructional time. The time devoted to a representative of a patriotic society must not be included in the time that must be devoted to a patriotic observance under section 120A.42. A representative of a patriotic society who speaks to students at a school may provide students with written materials about the patriotic society.

Subd. 3. **Notice required.** A patriotic society that wishes to speak to students at a school must provide written notice to the school board at least 60 days prior to the start of the school year. The school board must provide a written response approving or denying the request to the patriotic society. A response approving the request must include the date and time the organization will be allowed to address students.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 16. Minnesota Statutes 2017 Supplement, section 120B.30, subdivision 1, is amended to read:

Subdivision 1. **Statewide testing.** (a) The commissioner, with advice from experts with appropriate technical qualifications and experience and stakeholders, consistent with subdivision 1a, ~~shall~~ **must** include in the comprehensive assessment system, for each grade level to be tested, state-constructed tests developed as computer-adaptive reading and mathematics assessments for students that are aligned with the state's required academic standards under section 120B.021, include multiple choice questions, and are administered annually to all students in grades 3 through 8. State-developed high school tests aligned with the state's required academic standards under section 120B.021 and administered to all high school students in a subject other than writing must

include multiple choice questions. The commissioner ~~shall~~ must establish ~~one or more months during which schools shall administer the tests to students~~ a testing period as late as possible each school year during which schools must administer the Minnesota Comprehensive Assessments to students. The commissioner must publish the testing schedule at least two years before the beginning of the testing period except for a year in which revised standards are implemented.

~~(1) Students enrolled in grade 8 through the 2009-2010 school year are eligible to be assessed under (i) the graduation required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraphs (c), clauses (1) and (2), and (d), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.~~

~~(2) Students enrolled in grade 8 in the 2010-2011 or 2011-2012 school year are eligible to be assessed under (i) the graduation required assessment for diploma in reading, mathematics, or writing under Minnesota Statutes 2012, section 120B.30, subdivision 1, paragraph (c), clauses (1) and (2), (ii) the WorkKeys job skills assessment, (iii) the Compass college placement test, (iv) the ACT assessment for college admission, (v) a nationally recognized armed services vocational aptitude test.~~

~~(3) For students under clause (1) or (2), a school district may substitute a score from an alternative, equivalent assessment to satisfy the requirements of this paragraph.~~

(b) The state assessment system must be aligned to the most recent revision of academic standards as described in section 120B.023 in the following manner:

(1) mathematics;

(i) grades 3 through 8 beginning in the 2010-2011 school year; and

(ii) high school level beginning in the 2013-2014 school year;

(2) science; grades 5 and 8 and at the high school level beginning in the 2011-2012 school year; and

(3) language arts and reading; grades 3 through 8 and high school level beginning in the 2012-2013 school year.

(c) For students enrolled in grade 8 in the 2012-2013 school year and later, students' state graduation requirements, based on a longitudinal, systematic approach to student education and career planning, assessment, instructional support, and evaluation, include the following:

(1) achievement and career and college readiness in mathematics, reading, and writing, consistent with paragraph (k) and to the extent available, to monitor students' continuous development of and growth in requisite knowledge and skills; analyze students' progress and performance levels, identifying students' academic strengths and diagnosing areas where students require curriculum or instructional adjustments, targeted interventions, or remediation; and, based on analysis of students' progress and performance data, determine students' learning and instructional needs and the instructional tools and best practices that support academic rigor for the student; and

(2) consistent with this paragraph and section 120B.125, age-appropriate exploration and planning activities and career assessments to encourage students to identify personally relevant career interests and aptitudes and help students and their families develop a regularly reexamined transition plan for postsecondary education or employment without need for postsecondary remediation.

Based on appropriate state guidelines, students with an individualized education program may satisfy state graduation requirements by achieving an individual score on the state-identified alternative assessments.

(d) Expectations of schools, districts, and the state for career or college readiness under this subdivision must be comparable in rigor, clarity of purpose, and rates of student completion.

A student under paragraph (c), clause (1), must receive targeted, relevant, academically rigorous, and resourced instruction, which may include a targeted instruction and intervention plan focused on improving the student's knowledge and skills in core subjects so that the student has a reasonable chance to succeed in a career or college without need for postsecondary remediation. Consistent with sections 120B.13, 124D.09, 124D.091, 124D.49, and related sections, an enrolling school or district must actively encourage a student in grade 11 or 12 who is identified as academically ready for a career or college to participate in courses and programs awarding college credit to high school students. Students are not required to achieve a specified score or level of proficiency on an assessment under this subdivision to graduate from high school.

(e) Though not a high school graduation requirement, students are encouraged to participate in a nationally recognized college entrance exam. To the extent state funding for college entrance exam fees is available, a district must pay the cost, one time, for an interested student in grade 11 or 12 who is eligible for a free or reduced-price meal, to take a nationally recognized college entrance exam before graduating. A student must be able to take the exam under this paragraph at the student's high school during the school day and at any one of the multiple exam administrations available to students in the district. A district may administer the ACT or SAT or both the ACT and SAT to comply with this paragraph. If the district administers only one of these two tests and a free or reduced-price meal eligible student opts not to take that test and chooses instead to take the other of the two tests, the student may take the other test at a different time or location and remains eligible for the examination fee reimbursement. Notwithstanding sections 123B.34 to 123B.39, a school district may require a student that is not eligible for a free or reduced-price meal to pay the cost of taking a nationally recognized college entrance exam. The district must waive the cost for a student unable to pay.

(f) The commissioner and the chancellor of the Minnesota State Colleges and Universities must collaborate in aligning instruction and assessments for adult basic education students and English learners to provide the students with diagnostic information about any targeted interventions, accommodations, modifications, and supports they need so that assessments and other performance measures are accessible to them and they may seek postsecondary education or employment without need for postsecondary remediation. When administering formative or summative assessments used to measure the academic progress, including the oral academic development, of English learners and inform their instruction, schools must ensure that the assessments are accessible to the students and students have the modifications and supports they need to sufficiently understand the assessments.

(g) Districts and schools, on an annual basis, must use career exploration elements to help students, beginning no later than grade 9, and their families explore and plan for postsecondary education or careers based on the students' interests, aptitudes, and aspirations. Districts and schools must use timely regional labor market information and partnerships, among other resources, to help students and their families successfully develop, pursue, review, and revise an individualized plan for postsecondary education or a career. This process must help increase students' engagement in and connection to school, improve students' knowledge and skills, and deepen students' understanding of career pathways as a sequence of academic and career courses that lead to an industry-recognized credential, an associate's degree, or a bachelor's degree and are available to all students, whatever their interests and career goals.

(h) A student who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on high school assessments under subdivision 1a is academically ready for a career or college and is encouraged to participate in courses awarding college credit to high school students. Such courses and programs may include sequential courses of study within broad career areas and technical skill assessments that extend beyond course grades.

(i) As appropriate, students through grade 12 must continue to participate in targeted instruction, intervention, or remediation and be encouraged to participate in courses awarding college credit to high school students.

(j) In developing, supporting, and improving students' academic readiness for a career or college, schools, districts, and the state must have a continuum of empirically derived, clearly defined benchmarks focused on students' attainment of knowledge and skills so that students, their parents, and teachers know how well students must perform to have a reasonable chance to succeed in a career or college without need for postsecondary remediation. The commissioner, in consultation with local school officials and educators, and Minnesota's public postsecondary institutions must ensure that the foundational knowledge and skills for students' successful performance in postsecondary employment or education and an articulated series of possible targeted interventions are clearly identified and satisfy Minnesota's postsecondary admissions requirements.

(k) For students in grade 8 in the 2012-2013 school year and later, a school, district, or charter school must record on the high school transcript a student's progress toward career and college readiness, and for other students as soon as practicable.

(l) The school board granting students their diplomas may formally decide to include a notation of high achievement on the high school diplomas of those graduating seniors who, according to established school board criteria, demonstrate exemplary academic achievement during high school.

(m) The 3rd through 8th grade computer-adaptive assessment results and high school test results shall be available to districts for diagnostic purposes affecting student learning and district instruction and curriculum, and for establishing educational accountability. The commissioner must establish empirically derived benchmarks on adaptive assessments in grades 3 through 8. The commissioner, in consultation with the chancellor of the Minnesota State Colleges and Universities, must establish empirically derived benchmarks on the high school tests that reveal a trajectory toward career and college readiness consistent with section 136F.302, subdivision 1a. The commissioner must disseminate to the public the computer-adaptive assessments and high school test results upon receiving those results.

(n) The grades 3 through 8 computer-adaptive assessments and high school tests must be aligned with state academic standards. The commissioner ~~shall~~ must determine the testing process and the order of administration. The statewide results ~~shall~~ must be aggregated at the site and district level, consistent with subdivision 1a.

(o) The commissioner ~~shall~~ must include the following components in the statewide public reporting system:

(1) uniform statewide computer-adaptive assessments of all students in grades 3 through 8 and testing at the high school levels that provides appropriate, technically sound accommodations or alternate assessments;

(2) educational indicators that can be aggregated and compared across school districts and across time on a statewide basis, including average daily attendance, high school graduation rates, and high school drop-out rates by age and grade level;

(3) state results on the American College Test; and

(4) state results from participation in the National Assessment of Educational Progress so that the state can benchmark its performance against the nation and other states, and, where possible, against other countries, and contribute to the national effort to monitor achievement.

(p) For purposes of statewide accountability, "career and college ready" means a high school graduate has the knowledge, skills, and competencies to successfully pursue a career pathway, including postsecondary credit leading to a degree, diploma, certificate, or industry-recognized credential and employment. Students who are career and college ready are able to successfully complete credit-bearing coursework at a two- or four-year college or university or other credit-bearing postsecondary program without need for remediation.

(q) For purposes of statewide accountability, "cultural competence," "cultural competency," or "culturally competent" means the ability of families and educators to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

EFFECTIVE DATE. This section is effective for testing calendars in the 2020-2021 school year and later.

Sec. 17. Minnesota Statutes 2016, section 120B.30, subdivision 1a, is amended to read:

Subd. 1a. **Statewide and local assessments; results.** (a) For purposes of this section, the following definitions have the meanings given them.

(1) "Computer-adaptive assessments" means fully adaptive assessments.

(2) "Fully adaptive assessments" include test items that are on-grade level and items that may be above or below a student's grade level.

(3) "On-grade level" test items contain subject area content that is aligned to state academic standards for the grade level of the student taking the assessment.

(4) "Above-grade level" test items contain subject area content that is above the grade level of the student taking the assessment and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards above the grade level of the student taking the assessment. Notwithstanding the student's grade level, administering above-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(5) "Below-grade level" test items contain subject area content that is below the grade level of the student taking the test and is considered aligned with state academic standards to the extent it is aligned with content represented in state academic standards below the student's current grade level. Notwithstanding the student's grade level, administering below-grade level test items to a student does not violate the requirement that state assessments must be aligned with state standards.

(b) The commissioner must use fully adaptive mathematics and reading assessments for grades 3 through 8.

(c) For purposes of conforming with existing federal educational accountability requirements, the commissioner must develop and implement computer-adaptive reading and mathematics assessments for grades 3 through 8, state-developed high school reading and mathematics tests aligned with state academic standards, a high school writing test aligned with state standards when it becomes available, and science assessments under clause (2) that districts and sites must use to monitor student growth toward achieving those standards. The commissioner must not develop statewide assessments for academic standards in social studies, health and physical education, and the arts. The commissioner must require:

(1) annual computer-adaptive reading and mathematics assessments in grades 3 through 8, and high school reading, writing, and mathematics tests; and

(2) annual science assessments in one grade in the grades 3 through 5 span, the grades 6 through 8 span, and a life sciences assessment in the grades 9 through 12 span, and the commissioner must not require students to achieve a passing score on high school science assessments as a condition of receiving a high school diploma.

(d) The commissioner must ensure that for annual computer-adaptive assessments:

(1) individual student performance data and achievement reports are available to school districts and teachers within three school days of when students take an assessment except in a year when an assessment reflects new performance standards;

(2) growth information is available for each student from the student's first assessment to each proximate assessment using a constant measurement scale;

(3) parents, teachers, and school administrators are able to use elementary and middle school student performance data to project students' secondary and postsecondary achievement; and

(4) useful diagnostic information about areas of students' academic strengths and weaknesses is available to teachers and school administrators for improving student instruction and indicating the specific skills and concepts that should be introduced and developed for students at given performance levels, organized by strands within subject areas, and aligned to state academic standards.

(e) The commissioner must ensure that all state tests administered to elementary and secondary students measure students' academic knowledge and skills and not students' values, attitudes, and beliefs.

(f) Reporting of state assessment results must:

(1) provide timely, useful, and understandable information on the performance of individual students, schools, school districts, and the state;

(2) include a growth indicator of student achievement; and

(3) determine whether students have met the state's academic standards.

(g) Consistent with applicable federal law, the commissioner must include appropriate, technically sound accommodations or alternative assessments for the very few students with disabilities for whom statewide assessments are inappropriate and for English learners.

(h) A school, school district, and charter school must administer statewide assessments under this section, as the assessments become available, to evaluate student progress toward career and college readiness in the context of the state's academic standards. A school, school district, or charter school may use a student's performance on a statewide assessment as one of multiple criteria to determine grade promotion or retention. A school, school district, or charter school may use a high school student's performance on a statewide assessment as a percentage of the student's final grade in a course, or place a student's assessment score on the student's transcript.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 18. Minnesota Statutes 2016, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** (a) The commissioner ~~shall~~ **must** report test results publicly and to stakeholders, including the performance achievement levels developed from students' unweighted test scores in each tested subject and a listing of demographic factors that strongly correlate with student performance, including student homelessness, as data are available, among other factors. The test results must not include personally identifiable information as defined in Code of Federal Regulations, title 34, section 99.3. The commissioner ~~shall~~ **must** also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations.

(b) The commissioner ~~shall~~ must disseminate to schools and school districts a more comprehensive report containing testing information that meets local needs for evaluating instruction and curriculum. The commissioner ~~shall~~ must disseminate to charter school authorizers a more comprehensive report containing testing information that contains anonymized data where cell count data are sufficient to protect student identity and that meets the authorizer's needs in fulfilling its obligations under chapter 124E.

(c) A school district must disseminate the individual student performance data and achievement report required under section 120B.30, subdivision 1a, paragraph (d), clause (1), to the parent and teacher of each student no more than 30 days after the district has administered the test to a student. The district must notify the parent and teacher that the data and report are preliminary and subject to validation.

(d) A school district must disseminate a testing report to the teacher and to the parent of each student before the beginning of the following school year. The testing report must:

(1) identify the student's achievement level in each content area; and

(2) track the student's performance history.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 19. Minnesota Statutes 2017 Supplement, section 120B.35, subdivision 3, is amended to read:

Subd. 3. **State growth target; other state measures.** (a)(1) The state's educational assessment system measuring individual students' educational growth is based on indicators of achievement growth that show an individual student's prior achievement. Indicators of achievement and prior achievement must be based on highly reliable statewide ~~or districtwide~~ assessments.

(2) For purposes of paragraphs (b), (c), and (d), the commissioner must analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and, in addition to "other" for each race and ethnicity, and the Karen community, seven of the most populous Asian ~~and Pacific Islander~~ groups, three of the most populous Native groups, seven of the most populous Hispanic/Latino groups, and five of the most populous Black and African Heritage groups as determined by the total Minnesota population based on the most recent American Community Survey in consultation with the state demographer; English learners under section 124D.59; home language; free or reduced-price lunch; and all students enrolled in a Minnesota public school who are currently or were previously in foster care, except that such disaggregation and cross tabulation is not required if the number of students in a category is insufficient to yield statistically reliable information or the results would reveal personally identifiable information about an individual student.

(b) The commissioner, ~~in consultation with a stakeholder group that includes assessment and evaluation directors, district staff, experts in culturally responsive teaching, and researchers, must implement a model that uses a value added growth indicator and includes criteria for identifying schools and school districts that demonstrate medium and high growth under section 120B.299, subdivisions 8 and 9, and may recommend other value added measures under section 120B.299, subdivision 3. The model may be used to advance educators' professional development and replicate programs that succeed in meeting students' diverse learning needs. Data on individual teachers generated under the model are personnel data under section 13.43. The model must allow users to:~~

(1) report ~~student~~ the academic growth consistent with this paragraph rate, as defined in section 120B.355, subdivision 2; and

(2) for all student categories, report and compare aggregated and disaggregated state student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

The commissioner must report measures of student growth and, under section 120B.11, subdivision 2, clause (2), student learning and outcome data, consistent with this paragraph, including the English language development, academic progress, and oral academic development of English learners and their native language development if the native language is used as a language of instruction, and include data on all pupils enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59.

(c) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2011, must report two core measures indicating the extent to which current high school graduates are being prepared for postsecondary academic and career opportunities:

(1) a preparation measure indicating the number and percentage of high school graduates in the most recent school year who completed course work important to preparing them for postsecondary academic and career opportunities, consistent with the core academic subjects required for admission to Minnesota's public colleges and universities as determined by the Office of Higher Education under chapter 136A; and

(2) a rigorous coursework measure indicating the number and percentage of high school graduates in the most recent school year who successfully completed one or more college-level advanced placement, international baccalaureate, postsecondary enrollment options including concurrent enrollment, other rigorous courses of study under section 120B.021, subdivision 1a, or industry certification courses or programs.

When reporting the core measures under clauses (1) and (2), the commissioner must also analyze and report separate categories of information using the student categories identified under the federal Elementary and Secondary Education Act, as most recently reauthorized, and other student categories under paragraph (a), clause (2).

(d) When reporting student performance under section 120B.36, subdivision 1, the commissioner annually, beginning July 1, 2014, must report summary data on school safety and students' engagement and connection at school, consistent with the student categories identified under paragraph (a), clause (2). The summary data under this paragraph are separate from and must not be used for any purpose related to measuring or evaluating the performance of classroom teachers. The commissioner, in consultation with qualified experts on student engagement and connection and classroom teachers, must identify highly reliable variables that generate summary data under this paragraph. The summary data may be used at school, district, and state levels only. Any data on individuals received, collected, or created that are used to generate the summary data under this paragraph are nonpublic data under section 13.02, subdivision 9.

(e) For purposes of statewide educational accountability, the commissioner must identify and report measures that demonstrate the success of learning year program providers under sections 123A.05 and 124D.68, among other such providers, in improving students' graduation outcomes. The commissioner, beginning July 1, 2015, must annually report summary data on:

(1) the four- and six-year graduation rates of students under this paragraph;

(2) the percent of students under this paragraph whose progress and performance levels are meeting career and college readiness benchmarks under section 120B.30, subdivision 1; and

(3) the success that learning year program providers experience in:

- (i) identifying at-risk and off-track student populations by grade;
- (ii) providing successful prevention and intervention strategies for at-risk students;
- (iii) providing successful recuperative and recovery or reenrollment strategies for off-track students; and
- (iv) improving the graduation outcomes of at-risk and off-track students.

The commissioner may include in the annual report summary data on other education providers serving a majority of students eligible to participate in a learning year program.

(f) The commissioner, in consultation with recognized experts with knowledge and experience in assessing the language proficiency and academic performance of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as an English learner under section 124D.59, must identify and report appropriate and effective measures to improve current categories of language difficulty and assessments, and monitor and report data on students' English proficiency levels, program placement, and academic language development, including oral academic language.

(g) When reporting ~~four and six year~~ graduation rates, the commissioner or school district must disaggregate the data by student categories according to paragraph (a), clause (2).

(h) A school district must inform parents and guardians that volunteering information on student categories not required by the most recent reauthorization of the Elementary and Secondary Education Act is optional and will not violate the privacy of students or their families, parents, or guardians. The notice must state the purpose for collecting the student data.

Sec. 20. **[120B.355] ACADEMIC ACHIEVEMENT RATING SYSTEM.**

Subdivision 1. **Commissioner duties.** (a) The commissioner of education must develop an academic achievement rating system consistent with this section to provide parents and students with a brief overview of student performance and growth in districts, school sites, and charter schools across the state.

(b) Each district, school site, and charter school must be assigned a star rating based on the criteria provided in this section. Star ratings must range from one star for the lowest performing schools and districts to five stars for the highest performing schools and districts.

(c) Each district, school site, and charter school must be assigned an academic achievement score on a scale of zero to 100 that equals the average of the equally weighted factors used to determine a school's or district's star rating under subdivisions 3 to 5.

(d) The star rating and academic achievement score of each district, school site, and charter school must be reported annually on the Department of Education's Web site as part of the commissioner's school performance reports pursuant to section 120B.36.

(e) The commissioner must examine how revisions to statewide assessments under section 120B.30 impact school and district ratings under this section. The commissioner may adjust district, school site, and charter school ratings accordingly to maintain consistency in reporting.

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

(b) "Academic growth rate" means the average level of improvement in statewide test results for the current year over the previous year across all student groups in a school. Student improvement shall be quantified in a form and manner prescribed by the commissioner consistent with the approved state Every Student Succeeds Act plan to standardize this measurement across all schools and districts. The commissioner must convert a school's academic growth rate to a score on a scale of zero to 100 for purposes of determining a school's star rating under subdivision 3.

(c) "Low-income student achievement gap score" means 100 minus the average of: (1) the statewide percentage of non-low-income students who are rated proficient on the statewide reading test minus a school's percentage of low-income students who are rated proficient on the statewide reading test; and (2) the statewide percentage of non-low-income students who are rated proficient on the statewide math test minus a school's percentage of low-income students who are rated proficient on the statewide math test.

(d) "Students of color achievement gap score" means 100 minus the average of: (1) the statewide percentage of white students who are rated proficient on the statewide reading test minus a school's percentage of students of color who are rated proficient on the statewide reading test; and (2) the statewide percentage of white students who are rated proficient on the statewide math test minus a school's percentage of students of color who are rated proficient on the statewide math test.

(e) "Four-year graduation rate gap score" means 100 minus the difference between the statewide four-year high school graduation rate for non-low-income students and a school's four-year high school graduation rate for low-income students.

(f) "Low-income students" means students who qualify for free or reduced-price lunch pursuant to section 126C.05, subdivision 16.

(g) "Proficient" means a student meets or exceeds federal accountability standards on statewide assessments in reading and math consistent with the approved state Every Student Succeeds Act plan.

(h) "Statewide reading test" and "statewide math test" mean the statewide reading and mathematics assessments developed and administered pursuant to section 120B.30.

(i) "Students of color" means students who are American Indian, Asian, Pacific Islander, Hispanic, Black, or two or more races consistent with section 120B.35, subdivision 3, paragraph (a), clause (2).

Subd. 3. **Primary school rating components.** The commissioner must assign all elementary and middle schools a star rating based on the following equally weighted factors unique to each school:

(1) the percentage of students rated proficient on the statewide reading test;

(2) the percentage of students rated proficient on the statewide math test;

(3) the academic growth rate for the statewide reading test;

(4) the academic growth rate for the statewide math test;

(5) the low-income student achievement gap score;

(6) the students of color achievement gap score;

(7) the English learner proficiency rate, as defined in the approved state Every Student Succeeds Act plan; and

(8) the consistent attendance rate, as defined in the approved state Every Student Succeeds Act plan.

Subd. 4. **Secondary school rating components.** The commissioner must assign all high schools a star rating based on the following equally weighted factors unique to each school:

(1) the percentage of students rated proficient on the statewide reading test;

(2) the percentage of students rated proficient on the statewide math test;

(3) the four-year graduation rate gap score;

(4) the low-income student achievement gap score;

(5) the students of color achievement gap score;

(6) the English learner proficiency rate, as defined in the approved state Every Student Succeeds Act plan; and

(7) the consistent attendance rate, as defined in the approved state Every Student Succeeds Act plan.

Subd. 5. **District rating components.** The commissioner must assign all districts a star rating based on the following equally weighted factors unique to each district:

(1) the percentage of third grade students rated proficient on the statewide reading test;

(2) the low-income student achievement gap score, as applied at the district level;

(3) the students of color achievement gap score, as applied at the district level;

(4) the percentage of high school students rated proficient on the statewide reading test;

(5) the percentage of high school students rated proficient on the statewide math test; and

(6) the district's four-year high school graduation rate.

Sec. 21. Minnesota Statutes 2017 Supplement, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance reports and public reporting.** (a) The commissioner shall report: student academic performance data under section 120B.35, subdivisions 2 and 3; district, school site, and charter school academic achievement ratings under section 120B.355; the percentages of students showing low, medium, and high growth under section 120B.35, subdivision 3, paragraph (b); school safety and student engagement and connection under section 120B.35, subdivision 3, paragraph (d); rigorous coursework under section 120B.35, subdivision 3, paragraph (c); the percentage of students under section 120B.35, subdivision 3, paragraph (b), clause (2), whose progress and performance levels are meeting career and college readiness benchmarks under sections 120B.30, subdivision 1, and 120B.35, subdivision 3, paragraph (e); longitudinal data on the progress of eligible districts in reducing disparities in students' academic achievement and realizing racial and economic integration under section 124D.861; the acquisition of English, and where practicable, native language academic literacy, including oral academic language, and the academic progress of all English learners enrolled in a Minnesota public school course or program who are currently or were previously counted as English learners under section 124D.59; the percentage of students who graduated in the previous school year and correctly answered at least 30 of 50 civics test questions

in accordance with section 120B.02, subdivision 3; two separate student-to-teacher ratios that clearly indicate the definition of teacher consistent with sections 122A.06 and 122A.15 for purposes of determining these ratios; staff characteristics excluding salaries; student enrollment demographics; foster care status, including all students enrolled in a Minnesota public school course or program who are currently or were previously in foster care, student homelessness, and district mobility; and extracurricular activities.

(b) The school performance report for a ~~school site and a school district, school site, or charter school~~ must include school performance reporting information, including a prominent display of both the district's, school site's, or charter school's star rating and academic achievement score assigned by the commissioner under section 120B.355 and must calculate proficiency and growth rates as required by the most recently reauthorized Elementary and Secondary Education Act.

(c) The commissioner shall develop, annually update, and post on the department Web site school performance reports consistent with paragraph (a) and section 120B.11.

(d) The commissioner must make available performance reports by the beginning of each school year.

(e) A school or district may appeal its results in a form and manner determined by the commissioner and consistent with federal law. The commissioner's decision to uphold or deny an appeal is final.

(f) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner ~~shall~~ must annually post school performance reports to the department's public Web site no later than September 1, except that in years when the reports reflect new performance standards, the commissioner ~~shall~~ must post the school performance reports no later than October 1.

Sec. 22. Minnesota Statutes 2016, section 120B.36, subdivision 2, is amended to read:

Subd. 2. **Student progress and other data.** (a) All data the department receives, collects, or creates under section 120B.11, governing the world's best workforce, or uses to determine and set goals for federal expectations under the most recently reauthorized Elementary and Secondary Education Act, set state growth targets, and determine student growth, learning, and outcomes under section 120B.35 are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data.

(b) Districts must provide parents sufficiently detailed summary data to permit parents to appeal under the most recently reauthorized federal Elementary and Secondary Education Act. The commissioner shall annually post federal expectations and state student growth, learning, and outcome data to the department's public Web site no later than September 1, except that in years when data or federal expectations reflect new performance standards, the commissioner shall post data on federal expectations and state student growth data no later than October 1.

Sec. 23. **[121A.24] PROGRAM TO PREVENT SEXUAL ASSAULT.**

Subdivision 1. **Consent.** (a) The commissioner of education, in consultation with the Department of Health, must assist districts and charter schools in developing and implementing a consent program to prevent and reduce the incidence of sexual assault. Each district must have a program that includes age appropriate instruction on consent in grades 8 to 12, consistent with paragraph (c), that includes at least the following:

(1) planning materials and guidelines;

(2) in-service training for appropriate district staff and school board members;

(3) collaboration with local community health services, agencies, and organizations having a consent program; and

(4) participation by state and local student organizations.

(b) If a district fails to develop and implement a consent program, the department must assist the service cooperative in the region serving that district or charter school to develop or implement the program.

(c) "Consent" as used in this section means affirmative, conscious, and voluntary agreement to engage in sexual activity. It is a responsibility of each person involved in sexual activity to ensure that the other or others consent to engage in the sexual activity. Lack of protest or resistance does not mean consent. Consent must be ongoing throughout a sexual activity and can be revoked at any time. The existence of a dating relationship between the persons involved, or the fact of past sexual relations between them, should never by itself be assumed to be an indicator of consent.

Subd. 2. **Funding sources.** Districts and charter schools may accept funds for consent programs developed and implemented under this section from public and private sources including public health funds and foundations, department professional development funds, federal block grants, or other federal or state grants.

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

Sec. 24. Minnesota Statutes 2016, section 121A.41, is amended by adding a subdivision to read:

Subd. 12. **Nonexclusionary disciplinary policies and practices; alternatives to pupil dismissal.** "Nonexclusionary disciplinary policies and practices" means policies and practices that require school officials to intervene in, redirect, and support a pupil's behavior before dismissing a pupil from school. Nonexclusionary disciplinary policies and practices include evidence-based positive behavioral interventions and supports, social and emotional learning, school-linked mental health services, counseling services, social work services, referrals for special education or 504 evaluations, academic screening for Title I services or reading interventions, and alternative education services.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 25. Minnesota Statutes 2016, section 121A.41, is amended by adding a subdivision to read:

Subd. 13. **Pupil withdrawal agreements.** "Pupil withdrawal agreements" means a verbal or written agreement between a school or district administrator and a pupil's parent or guardian to withdraw a student from the school district to avoid expulsion or exclusion dismissal proceedings. The duration of the withdrawal agreement may be no longer than 12 months.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 26. Minnesota Statutes 2016, section 121A.45, subdivision 1, is amended to read:

Subdivision 1. **Provision of alternative programs.** ~~No school shall dismiss any pupil without attempting to provide alternative educational services~~ Schools must consider, where appropriate, using nonexclusionary disciplinary policies and practices before dismissal proceedings or pupil withdrawal agreements, except where it appears that the pupil will create an immediate and substantial danger to self or to surrounding persons or property.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 27. Minnesota Statutes 2016, section 121A.46, is amended by adding a subdivision to read:

Subd. 5. **Suspensions exceeding five consecutive school days.** The school administrator must ensure that alternative education services are provided when a pupil is suspended for more than five consecutive school days.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 28. Minnesota Statutes 2016, section 121A.46, is amended by adding a subdivision to read:

Subd. 6. **Minimum education services.** School officials must give a suspended pupil the opportunity to complete all school work assigned during the pupil's suspension and to receive full credit for satisfactorily completing the assignments. The school principal or other person having administrative control of the school building or program is encouraged to designate a district or school employee as a liaison to work with the pupil's teachers to allow the suspended pupil to (1) receive timely course materials and other information, and (2) complete daily and weekly assignments and receive teachers' feedback.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 29. Minnesota Statutes 2016, section 121A.47, subdivision 2, is amended to read:

Subd. 2. **Written notice.** Written notice of intent to take action ~~shall~~ must:

(a) (1) be served upon the pupil and the pupil's parent or guardian personally or by mail;

(b) (2) contain a complete statement of the facts, a list of the witnesses and a description of their testimony;

(3) explain the grounds for expelling the pupil instead of imposing nonexclusionary disciplinary policies and practices under section 121A.41, subdivision 12;

(c) (4) state the date, time, and place of the hearing;

(d) (5) be accompanied by a copy of sections 121A.40 to 121A.56;

(e) (6) describe ~~alternative educational services~~ the nonexclusionary disciplinary policies and practices accorded the pupil in an attempt to avoid the expulsion proceedings; and

(f) (7) inform the pupil and parent or guardian of the right to:

(1) (i) have a representative of the pupil's own choosing, including legal counsel, at the hearing. The district ~~shall~~ must advise the pupil's parent or guardian that free or low-cost legal assistance may be available and that a legal assistance resource list is available from the Department of Education and is posted on the department's Web site;

(2) (ii) examine the pupil's records before the hearing;

(3) (iii) present evidence; and

(4) (iv) confront and cross-examine witnesses.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 30. Minnesota Statutes 2016, section 121A.47, subdivision 14, is amended to read:

Subd. 14. **Admission or readmission plan.** (a) A school administrator ~~shall~~ must prepare and enforce an admission or readmission plan for any pupil who is excluded or expelled from school. The plan ~~may~~ must include measures to improve the pupil's behavior, ~~including which may include~~ completing a character education program, consistent with section 120B.232, subdivision 1, and social and emotional learning, counseling, social work services, mental health services, referrals for special education or 504 evaluation, and evidence-based academic interventions. The plan must require parental involvement in the admission or readmission process, and may indicate the consequences to the pupil of not improving the pupil's behavior.

(b) The definition of suspension under section 121A.41, subdivision 10, does not apply to a student's dismissal from school for one school day or less, except as provided under federal law for a student with a disability. Each suspension action may include a readmission plan. A readmission plan must provide, where appropriate, alternative education services, which must not be used to extend the student's current suspension period. Consistent with section 125A.091, subdivision 5, a readmission plan must not obligate a parent or guardian to provide psychotropic drugs to their student as a condition of readmission. School officials must not use the refusal of a parent or guardian to consent to the administration of psychotropic drugs to their student or to consent to a psychiatric evaluation, screening or examination of the student as a ground, by itself, to prohibit the student from attending class or participating in a school-related activity, or as a basis of a charge of child abuse, child neglect or medical or educational neglect.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 31. Minnesota Statutes 2016, section 121A.53, subdivision 1, is amended to read:

Subdivision 1. **Exclusions and expulsions; student withdrawals; physical assaults.** Consistent with subdivision 2, the school board must report through the department electronic reporting system each exclusion or expulsion ~~and~~, each physical assault of a district employee by a ~~student~~ pupil, and each pupil withdrawal agreement within 30 days of the effective date of the dismissal action, pupil withdrawal, or assault to the commissioner of education. This report must include a statement of ~~alternative educational services~~ nonexclusionary disciplinary policies and practices, or other sanction, intervention, or resolution in response to the assault given the pupil and the reason for, the effective date, and the duration of the exclusion or expulsion or other sanction, intervention, or resolution. The report must also include the ~~student's~~ pupil's age, grade, gender, race, and special education status.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 32. Minnesota Statutes 2016, section 121A.55, is amended to read:

121A.55 POLICIES TO BE ESTABLISHED.

(a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board ~~shall~~ must establish uniform criteria for dismissal and adopt written policies and rules to effectuate the purposes of sections 121A.40 to 121A.56. The policies ~~shall~~ must include nonexclusionary disciplinary policies and practices consistent with section 121A.41, subdivision 12, and emphasize preventing dismissals through early detection of problems and shall. The policies must be designed to address students' inappropriate behavior from recurring.

(b) The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period. The school is responsible to ensure that the alternative educational services, if to be provided to the pupil wishes to take advantage of them, must be adequate to allow the pupil to make progress towards meeting the graduation standards adopted under section 120B.02 ~~and~~, help prepare the pupil for readmission, and are consistent with section 121A.46, subdivision 6.

(c) For expulsion and exclusion dismissals, as well as pupil withdrawal agreements as defined in section 121A.41, subdivision 13:

(1) the school district's continuing responsibility includes reviewing the pupil's school work and grades on a quarterly basis to ensure the pupil is on track for readmission with the pupil's peers until the student enrolls in a new district. School districts must communicate on a regular basis with the pupil's parent or guardian to ensure the pupil is completing the work assigned through the alternative educational services;

(2) a pupil remains eligible for school-linked mental health services provided in the district under section 245.4889 until the pupil is enrolled in a new district; and

(3) the school district must provide to the pupil's parent or guardian a list of community mental health programs after expulsion.

(d) The school district must provide to the pupil's parent or guardian information regarding how a pupil withdrawal agreement is recorded or reported under sections 120A.22, subdivision 7, and 121A.53, subdivision 1.

~~(b)~~ (e) An area learning center under section 123A.05 may not prohibit an expelled or excluded pupil from enrolling solely because a district expelled or excluded the pupil. The board of the area learning center may use the provisions of the Pupil Fair Dismissal Act to exclude a pupil or to require an admission plan.

~~(e)~~ (f) Each school district shall develop a policy and report it to the commissioner on the appropriate use of peace officers and crisis teams to remove students who have an individualized education program from school grounds.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 33. Minnesota Statutes 2016, section 121A.61, subdivision 2, is amended to read:

Subd. 2. **Grounds for removal from class.** The policy must establish the various grounds for which a ~~student~~ pupil may be removed from a class in the district for a period of time under the procedures specified in the policy. The policy must include a procedure for notifying and meeting with a ~~student's~~ pupil's parent or guardian to discuss the problem that is causing the ~~student~~ pupil to be removed from class after the ~~student~~ pupil has been removed from class more than ~~ten~~ five times in one school year. The grounds in the policy must include at least the following provisions as well as other grounds determined appropriate by the board:

~~(a)~~ (1) willful conduct that significantly disrupts the rights of others to an education, including conduct that interferes with a teacher's ability to teach or communicate effectively with ~~students~~ pupils in a class or with the ability of other ~~students~~ pupils to learn;

~~(b)~~ (2) willful conduct that endangers surrounding persons, including school district employees, the ~~student~~ pupil, or other ~~students~~ pupils, or the property of the school; and

~~(c)~~ (3) willful violation of any rule of conduct specified in the discipline policy adopted by the board.

Sec. 34. Minnesota Statutes 2016, section 121A.67, is amended by adding a subdivision to read:

Subd. 3. **Parent notification.** A school administrator must make and document efforts to immediately contact the parent or guardian of a pupil removed from a school building or school grounds by a peace or school resource officer unless such notice is specifically prohibited by law.

EFFECTIVE DATE. This section is effective for the 2018-2019 school year and later.

Sec. 35. Minnesota Statutes 2017 Supplement, section 122A.09, is amended by adding a subdivision to read:

Subd. 4b. **Essential data.** The Professional Educator Licensing and Standards Board must maintain a list of essential data elements which must be recorded and stored about each licensed and nonlicensed staff member. Each school district must provide the essential data to the board in the form and manner prescribed by the board.

Sec. 36. Minnesota Statutes 2016, section 123B.14, subdivision 7, is amended to read:

Subd. 7. **Clerk records.** The clerk ~~shall~~ must keep a record of all meetings of the district and the board in books provided by the district for that purpose. The clerk ~~shall~~ must, within three days after an election, notify all persons elected of their election. By September 15 of each year the clerk ~~shall~~ must file with the board a report of the revenues, expenditures and balances in each fund for the preceding fiscal year. The report together with vouchers and supporting documents ~~shall~~ must subsequently be examined by a public accountant or the state auditor, either of whom ~~shall~~ must be paid by the district, as provided in section 123B.77, subdivision 3. The board ~~shall~~ must by resolution approve the report or require a further or amended report. ~~By September 15 of each year, the clerk shall make and transmit to the commissioner certified reports, showing:~~

~~(1) the revenues and expenditures in detail, and such other financial information required by law, rule, or as may be called for by the commissioner;~~

~~(2) the length of school term and the enrollment and attendance by grades; and~~

~~(3) such other items of information as may be called for by the commissioner.~~

The clerk ~~shall~~ must enter in the clerk's record book copies of all reports and of the teachers' term reports, as they appear in the registers, and of the proceedings of any meeting as furnished by the clerk pro tem, and keep an itemized account of all the expenses of the district. The clerk ~~shall~~ must furnish to the auditor of the proper county, by September 30 of each year, an attested copy of the clerk's record, showing the amount of proposed property tax voted by the district or the board for school purposes; draw and sign all orders upon the treasurer for the payment of money for bills allowed by the board for salaries of officers and for teachers' wages and all claims, to be countersigned by the chair. Such orders must state the consideration, payee, and the fund and the clerk shall take a receipt therefor. Teachers' wages shall have preference in the order in which they become due, and no money applicable for teachers' wages shall be used for any other purpose, nor shall teachers' wages be paid from any fund except that raised or apportioned for that purpose.

Sec. 37. Minnesota Statutes 2016, section 124D.09, subdivision 4, is amended to read:

Subd. 4. **Alternative pupil.** (a) "Alternative pupil" means ~~an~~ a 10th, 11th, or 12th grade student, subject to paragraph (b), who is not enrolled in a public school district, ~~and includes.~~ Alternative pupil includes students attending nonpublic schools and students who are home schooled. An alternative pupil is considered a pupil for purposes of this section only. An alternative pupil must register with the commissioner of education before participating in the postsecondary enrollment options program. The commissioner ~~shall~~ must prescribe the form and manner of the registration, in consultation with the Nonpublic Education Council under section 123B.445, and may request any necessary information from the alternative pupil.

(b) A 10th grade student qualifies as an alternative pupil if the student (1) is enrolled in a career or technical education course offered by an eligible institution and (2) received a passing score on the 8th grade Minnesota Comprehensive Assessment, or another reading assessment accepted by the enrolling postsecondary institution. A career or technical education course must meet the requirements under subdivision 5a. If an alternative pupil in

10th grade receives a grade of "C" or better in the career or technical education course taken under this subdivision, the postsecondary institution must allow the student to take additional postsecondary courses for credit at that institution, not to exceed the limits in subdivision 8.

EFFECTIVE DATE. This section is effective for applications submitted on or after July 1, 2018.

Sec. 38. Minnesota Statutes 2016, section 124D.128, subdivision 1, is amended to read:

Subdivision 1. **Program established.** A learning year program provides instruction throughout the year on an extended year calendar, extended school day calendar, or both. ~~A pupil may participate in the program and accelerate attainment of grade level requirements or graduation requirements.~~ A learning year program may begin after the close of the regular school year in June. The program may be for students in one or more grade levels from kindergarten through grade 12.

Sec. 39. Minnesota Statutes 2016, section 124D.78, subdivision 2, is amended to read:

Subd. 2. **Resolution of concurrence.** Prior to March 1, the school board or American Indian school must submit to the department a copy of a resolution adopted by the American Indian education parent advisory committee. The copy must be signed by the chair of the committee and must state whether the committee concurs with the educational programs for American Indian students offered by the school board or American Indian school. If the committee does not concur with the educational programs, the reasons for nonconcurrence and recommendations ~~shall~~ **must** be submitted directly to the school board with the resolution. By resolution, the board must respond in writing within 60 days, in cases of nonconcurrence, to each recommendation made by the committee and state its reasons for not implementing the recommendations.

Sec. 40. Minnesota Statutes 2016, section 124E.05, subdivision 4, is amended to read:

Subd. 4. **Application content.** (a) To be approved as an authorizer, an applicant must include in its application to the commissioner at least the following:

- (1) how the organization carries out its mission by chartering schools;
- (2) a description of the capacity of the organization to serve as an authorizer, including the positions allocated to authorizing duties, the qualifications for those positions, the full-time equivalencies of those positions, and the financial resources available to fund the positions;
- (3) the application and review process the authorizer uses to decide whether to grant charters;
- (4) the type of contract it arranges with the schools it charters to meet the provisions of section 124E.10;
- (5) the process for overseeing the school, consistent with clause (4), to ensure that the schools chartered comply with applicable law and rules and the contract;
- (6) the criteria and process the authorizer uses to approve applications adding grades or sites under section 124E.06, subdivision 5; and
- (7) the process for renewing or terminating the school's charter based on evidence showing the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and
- ~~(8) an assurance specifying that the organization is committed to serving as an authorizer for the full five year term.~~

(b) Notwithstanding paragraph (a), an authorizer that is a school district may satisfy the requirements of paragraph (a), clauses (1) and (2), and any requirement governing a conflict of interest between an authorizer and its charter schools or ongoing evaluation or continuing education of an administrator or other professional support staff by submitting to the commissioner a written promise to comply with the requirements.

Sec. 41. Minnesota Statutes 2016, section 124E.07, subdivision 2, is amended to read:

Subd. 2. **Ongoing board of directors.** The ongoing board must be elected before the school completes its ~~third~~ second year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed. The term of office for the ongoing board members begins July 1. The term of office for board members thereafter is as provided in the charter school bylaws.

Sec. 42. Minnesota Statutes 2016, section 124E.07, subdivision 3, is amended to read:

Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors ~~shall~~ must have at least five nonrelated members and include: (1) at least one licensed teacher who is employed ~~as a teacher at~~ by the school ~~or provides as a teacher to provide instruction to students or a licensed teacher who is engaged as a teacher to provide instruction to students~~ under contract between the charter school and a cooperative; (2) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school ~~or an immediate family member of a school employee~~; and (3) at least one interested community member who resides in Minnesota, is not employed by ~~or under contract to~~ the charter school, and does not have a child enrolled in the school. The board structure may include a majority of teachers under this paragraph or parents or community members, or it may have no clear majority. The board structure shall be stated in the school corporation's bylaws. ~~The chief financial officer and the chief administrator may only serve as an ex-officio nonvoting board members member.~~ No charter school employees shall serve on the board other than teachers under clause (1). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

(b) An individual is prohibited from serving as a member of the charter school board of directors if: (1) the individual, an immediate family member, or the individual's partner is a full or part owner or principal with a for-profit or nonprofit entity or independent contractor with whom the charter school contracts, directly or indirectly, for professional services, goods, or facilities; or (2) an immediate family member is an employee of the school. An individual may serve as a member of the board of directors if no conflict of interest exists under this paragraph, consistent with this section.

(c) A violation of paragraph (b) renders a contract voidable at the option of the commissioner or the charter school board of directors. A member of a charter school board of directors who violates paragraph (b) is individually liable to the charter school for any damage caused by the violation.

(d) Any employee, agent, or board member of the authorizer who participates in initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.

Sec. 43. Minnesota Statutes 2016, section 124E.07, subdivision 7, is amended to read:

Subd. 7. **Training.** (a) Every charter school board member ~~shall, including the ex-officio member, must~~ attend annual training throughout the member's term. ~~All new board members shall attend initial training on the board's role and responsibilities, employment policies and practices, and financial management. A new board member who does not begin the required initial training within six months after being seated and complete that training within 12 months after being seated is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training each board member attended during the previous year.~~

(b) All newly elected board members must attend training on the board's role, responsibilities, and procedures before being seated on the board. An individual shall not be seated on the board until the training required in this paragraph is completed.

(c) All newly seated board members must attend training on public school finances and financial management; employment law, policies, and practices; and student performance, achievement, and outcomes. Any member who fails to complete the training required in this paragraph within 12 months of being seated on the board is automatically removed from the board and may not be elected or appointed to the board for a period of at least 12 months after vacating the seat.

(d) The school must include in its annual report the training each board member attended during the previous year.

Sec. 44. Minnesota Statutes 2016, section 124E.10, subdivision 4, is amended to read:

Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer ~~shall~~ must notify the board of directors of the charter school of the proposed action in writing. The notice ~~shall~~ must state the grounds for the proposed action in reasonable detail and describe the informal hearing process, consistent with this paragraph. The charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days after receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer ~~shall~~ must give ten business days' notice to the charter school's board of directors of the hearing date. The authorizer ~~shall~~ must conduct an informal hearing before taking final action. The hearing must be recorded by tape recording, video, or a court reporter at the expense of the authorizer. The recording must be preserved for three years and must be made available to the public. The authorizer ~~shall~~ must take final action to renew or not renew a contract no later than 20 business days before the proposed date for terminating the contract or the end date of the contract.

(b) An authorizer may terminate or not renew a contract upon any of the following grounds:

(1) failure to demonstrate satisfactory academic achievement for all students, including the requirements for pupil performance contained in the contract;

(2) failure to meet generally accepted standards of fiscal management;

(3) violations of law; or

(4) other good cause shown.

If the authorizer terminates or does not renew a contract under this paragraph, the school must be dissolved according to the applicable provisions of chapter 317A.

(c) The commissioner, after providing reasonable notice to the board of directors of a charter school and the existing authorizer, and after providing an opportunity for a public hearing, may terminate the existing contract between the authorizer and the charter school board if the charter school has a history of:

(1) failure to meet pupil performance requirements, consistent with state law;

- (2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or
- (3) repeated or major violations of the law.

Sec. 45. Minnesota Statutes 2017 Supplement, section 124E.11, is amended to read:

124E.11 ADMISSION REQUIREMENTS AND ENROLLMENT.

Subdivision 1. Limits on enrollment. ~~(a)~~ A charter school, including its preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may limit admission to:

- (1) pupils within an age group or grade level;
- (2) pupils who are eligible to participate in the graduation incentives program under section 124D.68; or
- (3) residents of a specific geographic area in which the school is located when the majority of students served by the school are members of underserved populations.

Subd. 2. Timely application; lottery; enrollment preference. ~~(b)~~ A charter school, including its preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), ~~shall~~ must enroll an eligible pupil who submits a timely application, unless the number of applications exceeds the capacity of a program, class, grade level, or building. In this case, pupils must be accepted by lot. The charter school must develop and publish, including on its Web site, a lottery policy and process that it must use when accepting pupils by lot.

Subd. 3. Lottery exceptions. ~~(e)~~ (a) A charter school ~~shall~~ must give enrollment preference to a sibling of an enrolled pupil and to a foster child of that pupil's parents and may give preference for enrolling children of the school's staff before accepting other pupils by lot.

(b) A charter school may give enrollment preference to children currently enrolled in the school's free preschool or prekindergarten program under section 124E.06, subdivision 3, paragraph (b), who are eligible to enroll in kindergarten in the next school year.

(c) A charter school that is located in Duluth township in St. Louis County or in the city of Nerstrand in Rice County, and admits students in kindergarten through grade 6 must give enrollment preference to students residing within a five-mile radius of the school and to the siblings of enrolled children.

~~A charter school may give enrollment preference to children currently enrolled in the school's free preschool or prekindergarten program under section 124E.06, subdivision 3, paragraph (a), who are eligible to enroll in kindergarten in the next school year.~~

(d) A charter school that is located in Castle Rock Township in Dakota County must give enrollment preference to students residing within a two-mile radius of the school and to the siblings of enrolled children.

Subd. 4. Age of enrollment. ~~(d)~~ A person ~~shall~~ must not be admitted to a charter school (1) as a kindergarten pupil, unless the pupil is at least five years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences; or (2) as a first grade student, unless the pupil is at least six years of age on September 1 of the calendar year in which the school year for which the pupil seeks admission commences or has completed kindergarten; except that a charter school may establish and publish on its Web site a policy for admission of selected pupils at an earlier age, consistent with the enrollment process in ~~paragraphs (b) and (c)~~ subdivisions 2 and 3.

Subd. 5. Admission limits not allowed. ~~(e)~~ Except as permitted in ~~paragraph (d)~~ subdivision 4, a charter school, including its preschool or prekindergarten program established under section 124E.06, subdivision 3, paragraph (b), may not limit admission to pupils on the basis of intellectual ability, measures of achievement or aptitude, or athletic ability and may not establish any criteria or requirements for admission that are inconsistent with this section.

Subd. 6. Enrollment incentives prohibited. ~~(f)~~ The A charter school shall or any agent of the school must not distribute any services or goods, payments, or other incentives of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

Subd. 7. Enrollment continues. ~~(g)~~ Once a student is enrolled in ~~the a charter~~ school, the student is considered enrolled in the school until the ~~student formally withdraws~~ school receives a request for the transfer of educational records from another school, or a written election by the parent or guardian of the student withdrawing the student or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56.

Subd. 8. Prekindergarten pupils. ~~(h)~~ A charter school with at least 90 percent of enrolled students who are eligible for special education services and have a primary disability of deaf or hard-of-hearing may enroll prekindergarten pupils with a disability under section 126C.05, subdivision 1, paragraph (a), and must comply with the federal Individuals with Disabilities Education Act under Code of Federal Regulations, title 34, section 300.324, subsection (2), clause (iv).

EFFECTIVE DATE. This section is effective for enrollment decisions made on or after July 1, 2018.

Sec. 46. Minnesota Statutes 2016, section 124E.17, subdivision 1, is amended to read:

Subdivision 1. **Charter school information.** (a) Charter schools must disseminate information about how to use the charter school offerings to targeted groups, among others. Targeted groups include low-income families and communities, students of color, and students who are at risk of academic failure.

(b) Authorizers and the commissioner must disseminate information to the public on how to form and operate a charter school. Authorizers, operators, and the commissioner also may disseminate information to interested stakeholders about the successful best practices in teaching and learning demonstrated by charter schools.

(c) A charter school must document its dissemination efforts in its annual report.

Sec. 47. Minnesota Statutes 2016, section 125B.07, subdivision 6, is amended to read:

Subd. 6. **Essential data.** The department ~~shall~~ must maintain a list of essential data elements which must be recorded and stored about each pupil, ~~licensed and nonlicensed staff member,~~ and educational program. Each school district must provide the essential data to the department in the form and format prescribed by the department.

Sec. 48. Minnesota Statutes 2016, section 126C.15, subdivision 5, is amended to read:

Subd. 5. **Annual expenditure report.** Each year a district that receives basic skills revenue must submit a report identifying the expenditures it incurred to meet the needs of eligible learners under subdivision 1. The report must conform to uniform financial and reporting standards established for this purpose. Using valid and reliable data and measurement criteria, ~~the a report also must determine~~ that determines whether increased expenditures raised student achievement levels must be reported under section 120B.11.

Sec. 49. Minnesota Statutes 2016, section 128D.06, subdivision 1, is amended to read:

Subdivision 1. **Board's annual report.** The board of education ~~shall~~ must, as soon as practicable after the close of each fiscal year, cause to be printed, published, and distributed a report of the condition of the public school program under its charge, and of all the property under its control, ~~with full and accurate account of all receipts and of all expenditures of the school district during the preceding year including operating and maintenance expenses as well as all expenses for capital outlay and building site improvement.~~

Sec. 50. Minnesota Statutes 2017 Supplement, section 609A.03, subdivision 7a, is amended to read:

Subd. 7a. **Limitations of order effective January 1, 2015, and later.** (a) Upon issuance of an expungement order related to a charge supported by probable cause, the DNA samples and DNA records held by the Bureau of Criminal Apprehension and collected under authority other than section 299C.105 shall not be sealed, returned to the subject of the record, or destroyed.

(b) Notwithstanding the issuance of an expungement order:

(1) except as provided in clause (2), an expunged record may be opened, used, or exchanged between criminal justice agencies without a court order for the purposes of initiating, furthering, or completing a criminal investigation or prosecution or for sentencing purposes or providing probation or other correctional services;

(2) when a criminal justice agency seeks access to a record that was sealed under section 609A.02, subdivision 3, paragraph (a), clause (1), after an acquittal or a court order dismissing for lack of probable cause, for purposes of a criminal investigation, prosecution, or sentencing, the requesting agency must obtain an ex parte court order after stating a good-faith basis to believe that opening the record may lead to relevant information;

(3) an expunged record of a conviction may be opened for purposes of evaluating a prospective employee in a criminal justice agency without a court order;

(4) an expunged record of a conviction may be opened for purposes of a background study under section 245C.08 unless the commissioner had been properly served with notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner of human services;

(5) an expunged record of a conviction may be opened for purposes of a background check required under section 122A.18, subdivision 8, unless the court order for expungement is directed specifically to the Professional Educator Licensing and Standards Board or the licensing division of the Department of Education; and

(6) the court may order an expunged record opened upon request by the victim of the underlying offense if the court determines that the record is substantially related to a matter for which the victim is before the court.

(c) An agency or jurisdiction subject to an expungement order shall maintain the record in a manner that provides access to the record by a criminal justice agency under paragraph (b), clause (1) or (2), but notifies the recipient that the record has been sealed. The Bureau of Criminal Apprehension shall notify the commissioner of human services, and the Professional Educator Licensing and Standards Board, ~~or the licensing division of the Department of Education~~ of the existence of a sealed record and of the right to obtain access under paragraph (b), clause (4) or (5). Upon request, the agency or jurisdiction subject to the expungement order shall provide access to the record to the commissioner of human services, the Professional Educator Licensing and Standards Board, or the licensing division of the Department of Education under paragraph (b), clause (4) or (5).

(d) An expunged record that is opened or exchanged under this subdivision remains subject to the expungement order in the hands of the person receiving the record.

(e) A criminal justice agency that receives an expunged record under paragraph (b), clause (1) or (2), must maintain and store the record in a manner that restricts the use of the record to the investigation, prosecution, or sentencing for which it was obtained.

(f) For purposes of this section, a "criminal justice agency" means a court or government agency that performs the administration of criminal justice under statutory authority.

(g) This subdivision applies to expungement orders subject to its limitations and effective on or after January 1, 2015.

Sec. 51. Minnesota Statutes 2017 Supplement, section 626.556, subdivision 2, is amended to read:

Subd. 2. **Definitions.** As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence or event which:

(1) is not likely to occur and could not have been prevented by exercise of due care; and

(2) if occurring while a child is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.

(b) "Commissioner" means the commissioner of human services.

(c) "Facility" means:

(1) a licensed or unlicensed day care facility, certified license-exempt child care center, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 144H, 245D, or 245H;

(2) a school as defined in section 120A.05, subdivisions 9, 11, and 13; and chapter 124E; or

(3) a nonlicensed personal care provider organization as defined in section 256B.0625, subdivision 19a.

(d) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child maltreatment, and family strengths and needs that is applied to a child maltreatment report that does not allege sexual abuse or substantial child endangerment. Family assessment does not include a determination as to whether child maltreatment occurred but does determine the need for services to address the safety of family members and the risk of subsequent maltreatment.

(e) "Investigation" means fact gathering related to the current safety of a child and the risk of subsequent maltreatment that determines whether child maltreatment occurred and whether child protective services are needed. An investigation must be used when reports involve sexual abuse or substantial child endangerment, and for reports of maltreatment in facilities required to be licensed or certified under chapter 245A, 245D, or 245H; under sections 144.50 to 144.58 and 241.021; in a school as defined in section 120A.05, subdivisions 9, 11, and 13, and chapter 124E; or in a nonlicensed personal care provider association as defined in section 256B.0625, subdivision 19a.

(f) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(g) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (9), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a fetal alcohol spectrum disorder;

(7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or

(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(h) "Nonmaltreatment mistake" means:

(1) at the time of the incident, the individual was performing duties identified in the center's child care program plan required under Minnesota Rules, part 9503.0045;

(2) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years;

(3) the individual has not been determined to have committed a similar nonmaltreatment mistake under this paragraph for at least four years;

(4) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; and

(5) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing requirements relevant to the incident.

This definition only applies to child care centers licensed under Minnesota Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated maltreatment by the individual, the commissioner of human services shall determine that a nonmaltreatment mistake was made by the individual.

(i) "Operator" means an operator or agency as defined in section 245A.02.

(j) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(k) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive or deprivation procedures, or regulated interventions, that have not been authorized under section 125A.0942 or 245.825.

Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following:

- (1) throwing, kicking, burning, biting, or cutting a child;
- (2) striking a child with a closed fist;
- (3) shaking a child under age three;
- (4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;
- (5) unreasonable interference with a child's breathing;
- (6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;
- (7) striking a child under age one on the face or head;
- (8) striking a child who is at least age one but under age four on the face or head, which results in an injury;
- (9) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances;

(10) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(11) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(l) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(m) "Report" means any communication received by the local welfare agency, police department, county sheriff, or agency responsible for child protection pursuant to this section that describes neglect or physical or sexual abuse of a child and contains sufficient content to identify the child and any person believed to be responsible for the neglect or abuse, if known.

(n) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), ~~or 609.3451 (criminal sexual conduct in the fifth degree), or 609.352 (solicitation of children to engage in sexual conduct; communication of sexually explicit materials to children)~~. Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Effective May 29, 2017, sexual abuse includes all reports of known or suspected child sex trafficking involving a child who is identified as a victim of sex trafficking. Sexual abuse includes child sex trafficking as defined in section 609.321, subdivisions 7a and 7b. Sexual abuse includes threatened sexual abuse which includes the status of a parent or household member who has committed a violation which requires registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

(o) "Substantial child endangerment" means a person responsible for a child's care, by act or omission, commits or attempts to commit an act against a child under their care that constitutes any of the following:

(1) egregious harm as defined in section 260C.007, subdivision 14;

(2) abandonment under section 260C.301, subdivision 2;

(3) neglect as defined in paragraph (g), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(4) murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;

(5) manslaughter in the first or second degree under section 609.20 or 609.205;

(6) assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;

(7) solicitation, inducement, and promotion of prostitution under section 609.322;

(8) criminal sexual conduct under sections 609.342 to 609.3451;

(9) solicitation of children to engage in sexual conduct under section 609.352;

(10) malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;

(11) use of a minor in sexual performance under section 617.246; or

(12) parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.503, subdivision 2.

(p) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in paragraph (j), clause (1), who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, subdivision 1, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that has resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that has resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (d), clause (1), section 260C.515, subdivision 4, or a similar law of another jurisdiction.

A child is the subject of a report of threatened injury when the responsible social services agency receives birth match data under paragraph (q) from the Department of Human Services.

(q) Upon receiving data under section 144.225, subdivision 2b, contained in a birth record or recognition of parentage identifying a child who is subject to threatened injury under paragraph (p), the Department of Human Services shall send the data to the responsible social services agency. The data is known as "birth match" data. Unless the responsible social services agency has already begun an investigation or assessment of the report due to the birth of the child or execution of the recognition of parentage and the parent's previous history with child protection, the agency shall accept the birth match data as a report under this section. The agency may use either a family assessment or investigation to determine whether the child is safe. All of the provisions of this section apply. If the child is determined to be safe, the agency shall consult with the county attorney to determine the appropriateness of filing a petition alleging the child is in need of protection or services under section 260C.007, subdivision 6, clause (16), in order to deliver needed services. If the child is determined not to be safe, the agency and the county attorney shall take appropriate action as required under section 260C.503, subdivision 2.

(r) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

Sec. 52. Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 23, is amended to read:

Subd. 23. **Paraprofessional pathway to teacher licensure.** (a) For grants to school districts for Grow Your Own new teacher programs:

\$1,500,000	2018
\$1,500,000	2019

(b) The grants are for school districts and charter schools with more than 30 percent minority students for a ~~Board of Teaching approved~~ Professional Educator Licensing and Standards Board-approved nonconventional teacher residency pilot program. The program must provide tuition scholarships or stipends to enable school district and charter school employees or community members affiliated with a school district or charter school who seek an education license to participate in a nonconventional teacher preparation program. School districts and charter schools that receive funds under this subdivision are strongly encouraged to recruit candidates of color and American Indian candidates to participate in the Grow Your Own new teacher programs. Districts or schools providing financial support may require a commitment as determined by the district to teach in the district or school for a reasonable amount of time that does not exceed five years.

(c) School districts and charter schools may also apply for grants to develop innovative expanded Grow Your Own programs that encourage secondary school students to pursue teaching, including developing and offering dual-credit postsecondary course options in schools for "Introduction to Teaching" or "Introduction to Education" courses consistent with Minnesota Statutes, section 124D.09, subdivision 10.

(d) Programs must annually report to the commissioner by the date determined by the commissioner on their activities under this section, including the number of participants, the percentage of participants who are of color or who are American Indian, and an assessment of program effectiveness, including participant feedback, areas for improvement, the percentage of participants continuing to pursue teacher licensure, and the number of participants hired in the school or district as teachers after completing preparation programs.

(e) The department may retain up to three percent of the appropriation amount to monitor and administer the grant program.

(f) Any balance in the first year does not cancel but is available in the second year.

Sec. 53. **REVISOR'S INSTRUCTION.**

(a) The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B.

Column A

136D.01
136D.21
136D.22
136D.23
136D.24
136D.25
136D.26
136D.281
136D.29
136D.31
136D.41
136D.42
136D.43
136D.44
136D.45
136D.46
136D.47
136D.48

Column B

123C.01
123C.21
123C.22
123C.23
123C.24
123C.25
123C.26
123C.27
123C.28
123C.29
123C.41
123C.42
123C.43
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123C.46
123C.47
123C.48

<u>136D.49</u>	<u>123C.49</u>
<u>136D.71</u>	<u>123C.71</u>
<u>136D.72</u>	<u>123C.72</u>
<u>136D.73</u>	<u>123C.73</u>
<u>136D.74</u>	<u>123C.74</u>
<u>136D.741</u>	<u>123C.75</u>
<u>136D.76</u>	<u>123C.76</u>
<u>136D.81</u>	<u>123C.81</u>
<u>136D.82</u>	<u>123C.82</u>
<u>136D.83</u>	<u>123C.83</u>
<u>136D.84</u>	<u>123C.84</u>
<u>136D.85</u>	<u>123C.85</u>
<u>136D.86</u>	<u>123C.86</u>
<u>136D.88</u>	<u>123C.87</u>
<u>136D.90</u>	<u>123C.88</u>
<u>136D.92</u>	<u>123C.89</u>
<u>136D.93</u>	<u>123C.90</u>
<u>136D.94</u>	<u>123C.91</u>

(b) The revisor of statutes shall make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with renumbering of Minnesota Statutes, chapter 136D in this act, and if Minnesota Statutes, chapter 136D, is further amended in the 2018 legislative session, shall codify the amendments in a manner consistent with this act. The revisor may make necessary changes to sentence structure to preserve the meaning of the text.

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

Sec. 54. **REPEALER.**

Minnesota Statutes 2016, sections 120B.35, subdivisions 4 and 5; 123A.26, subdivision 3; 125A.75, subdivision 9; and 128D.06, subdivision 3, are repealed.

ARTICLE 3 TEACHERS

Section 1. Minnesota Statutes 2016, section 121A.39, is amended to read:

121A.39 SCHOOL COUNSELORS.

(a) A school district is strongly encouraged to have an adequate student-to-counselor ratio for its students beginning in the 2015-2016 school year and later.

(b) A school counselor ~~shall~~ must assist a student in meeting the requirements for high school graduation, college and career exploration, and selection, college affordability planning, and successful transitions into postsecondary education or training. As part of college and career exploration, a counselor is encouraged to present and explain the career opportunities and benefits offered by the United States armed forces and share information provided to the counselor by armed forces recruiters. In discussing military service with a student or a student's parent or guardian, a school counselor is encouraged to provide the student, parent, or guardian information concerning the military enlistment test. A counselor may consult with the Department of Labor and Industry to identify resources for students interested in exploring career opportunities in high-wage, high-demand occupations in the skilled trades and manufacturing.

(c) A school counselor must not discourage or otherwise interfere with a student's enlistment, or intention to enlist, in the armed forces.

Sec. 2. Minnesota Statutes 2017 Supplement, section 122A.187, subdivision 3, is amended to read:

Subd. 3. **Professional growth.** (a) Applicants for license renewal for a Tier 3 or Tier 4 license under sections 122A.183 and 122A.184, respectively, who have been employed as a teacher during the renewal period of the expiring license, as a condition of license renewal, must present to their local continuing education and relicensure committee or other local relicensure committee evidence of work that demonstrates professional reflection and growth in best teaching practices, including among other things, cultural competence in accordance with section 120B.30, subdivision 1, paragraph (q), and practices in meeting the varied needs of English learners, from young children to adults under section 124D.59, subdivisions 2 and 2a. A teacher may satisfy the requirements of this paragraph by submitting the teacher's most recent summative evaluation or improvement plan under section 122A.40, subdivision 8, or 122A.41, subdivision 5. Counselors, school social workers, and teachers who do not provide direct instruction but who provide academic, college, and career planning and support to students may submit proof of training on armed forces career options or careers in the skilled trades and manufacturing as evidence of professional growth.

(b) The Professional Educator Licensing and Standards Board must ensure that its teacher relicensing requirements include paragraph (a).

Sec. 3. Minnesota Statutes 2016, section 122A.71, subdivision 2, is amended to read:

Subd. 2. **Responsibility.** ~~By July 1, 1989, The Board of Teaching Professional Educator Licensing and Standards Board~~ must ~~begin to~~ evaluate the effectiveness of prebaccalaureate, postbaccalaureate, and other alternative program structures for preparing candidates for entrance into the teaching profession. The evaluation ~~shall~~ must be conducted by independent research centers or evaluators who are not associated with a Minnesota teacher education institution and ~~shall~~ must be longitudinal in nature.

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

Sec. 4. **SURVEY OF TEACHER PREPARATION PROGRAMS.**

The Professional Educator Licensing and Standards Board must survey board-approved teacher preparation programs for teachers of elementary education, early childhood education, special education, and reading intervention to determine the extent of dyslexia instruction offered by the programs. The board may consult with the dyslexia specialist at the Department of Education when developing the survey and reviewing the teacher preparation program responses. The board must report its findings to the chairs and ranking minority members of the committees of the legislature having jurisdiction over kindergarten through grade 12 education policy and finance by January 2, 2019. The report must include information on teacher preparation program instruction on screening for characteristics of dyslexia, evidence-based instructional strategies for students showing characteristics of dyslexia, and best practices for assisting students showing characteristics of dyslexia and their families. The report must be submitted in accordance with Minnesota Statutes, section 3.195.

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

ARTICLE 4
SPECIAL EDUCATION

Section 1. **SPECIAL EDUCATION WORKING GROUP.**

Subdivision 1. Duties. (a) A working group on special education is created to review special education delivery and costs in Minnesota and submit a written report to the legislature recommending changes to reduce costs, if warranted. The report must:

(1) review how school districts, charter schools, intermediate school districts, special education cooperatives, education districts, and service cooperatives deliver special education services, and the costs and benefits associated with each model;

(2) compare relevant state and federal special education laws and regulations by reviewing the 2013 evaluation report by the Office of the Legislative Auditor on special education and other publicly available reports;

(3) analyze trends in special education enrollment and the reasons for the increased proportion of Minnesota students receiving special education, including identifying disparities in student identification;

(4) identify strategies or programs that would be effective in reducing the need for special education services or could provide less-intensive special education services, when appropriate;

(5) analyze funding for children receiving special education services in a nonresident district or charter school in accordance with Minnesota Statutes, sections 124E.21, 125A.11, and 127A.47;

(6) analyze the effect of the 2013 statutory changes to the state special education funding formula, including interactions and conformity with federal funding formulas;

(7) describe how school districts and charter schools use section 504 plans, including criteria used to determine when a section 504 plan is appropriate and the prevalence of section 504 plans in school districts and charter schools; and

(8) review the 2013 evaluation report by the Office of the Legislative Auditor on special education and whether any recommendations have been enacted or implemented.

(b) In making its recommendations, the special education working group must develop a ten-year strategic plan informed by the findings in paragraph (a) to help reduce the costs contributing to the special education cross-subsidy and overall special education funding.

Subd. 2. Members. (a) By June 1, 2018, the executive director of the following organizations may appoint one representative of that organization to serve as a member of the working group:

(1) the National Alliance on Mental Illness Minnesota;

(2) the Parent Advocacy Coalition for Educational Rights;

(3) the Minnesota School Boards Association;

(4) the Minnesota Administrators for Special Education;

(5) the Minnesota Association of Charter Schools;

- (6) Education Minnesota;
- (7) the Minnesota Rural Education Association;
- (8) the Association of Metropolitan School Districts;
- (9) The Arc Minnesota;
- (10) the Autism Society of Minnesota;
- (11) the Minnesota Disability Law Center;
- (12) the Minnesota Alliance with Youth;
- (13) the Minnesota Education Equity Partnership;
- (14) Service Employees International Union Local 284;
- (15) the Minnesota Association of School Administrators;
- (16) the Minnesota Association of School Business Officials;
- (17) the Minnesota Association of Alternative Programs;
- (18) Schools for Equity in Education;
- (19) Decoding Dyslexia Minnesota; and
- (20) the Minnesota Elementary School Principals' Association.

(b) The commissioner of education must solicit applications for membership in the working group, and based on the applications received, designate by June 25, 2018, the following individuals to serve as members of the working group:

- (1) a representative from an intermediate school district;
- (2) a representative from a special education cooperative, education district, or service cooperative;
- (3) a representative from the Governor's Council on Developmental Disabilities;
- (4) a representative from the Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans;
- (5) a representative from a school district in a city of the first class;
- (6) two students receiving special education services and a parent of a student receiving special education services; and
- (7) one representative of a nonprofit organization specializing in early childhood education issues.

Subd. 3. **Meetings.** The commissioner of education, or the commissioner's designee, must convene the first meeting of the working group no later than July 15, 2018. The working group must select a chair or co-chairs from among its members at the first meeting. The working group must meet periodically. Meetings of the working group must be open to the public.

Subd. 4. **Compensation.** Working group members are not eligible to receive expenses or per diem payments for serving on the working group.

Subd. 5. **Administrative support.** The commissioner of education must provide technical and administrative assistance to the working group upon request.

Subd. 6. **Report.** (a) By January 15, 2019, the working group must submit a report providing its findings and recommendations to the chairs and ranking minority members of the legislative committees with jurisdiction over kindergarten through grade 12 education.

(b) The legislature convening in January 2019 is encouraged to convene a legislative study group to review the recommendations and ten-year strategic plan to develop its own recommendations for legislative changes, as necessary.

Subd. 7. **Expiration.** The working group expires on January 16, 2019, unless extended by law.

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

ARTICLE 5 FACILITIES AND TECHNOLOGY

Section 1. Minnesota Statutes 2016, section 124E.03, subdivision 5, is amended to read:

Subd. 5. **Records and data requirements.** (a) A charter school must comply with chapter 13 governing government data; and sections 121A.75 governing access to juvenile justice records, and 260B.171, subdivisions 3 and 5, governing juvenile justice records.

(b) A charter school must comply with section 120A.22, subdivision 7, governing the transfer of students' educational records and sections 138.163 and 138.17 governing the management of local records.

(c) A charter school must comply with sections 125B.27 to 125B.29, governing technology providers, school-issued devices, and educational data. A technology provider contracting with a charter school must comply with sections 125B.27 to 125B.29.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 2. **[125B.27] TECHNOLOGY PROVIDER REQUIREMENTS.**

Subdivision 1. **Technology provider definition.** (a) "Technology provider" means a person who:

(1) contracts with a school district, as part of a one-to-one program or otherwise, to provide technological devices for student use or to provide access to a software or online application; and

(2) creates, receives, or maintains educational data pursuant or incidental to a contract with a school district.

(b) A technology provider does not include a nonprofit organization that has the primary purpose of expanding student access to postsecondary education and that obtains a student's consent to utilize a student's educational data for that purpose.

Subd. 2. **Educational data.** (a) A technology provider is subject to the provisions of section 13.05, subdivision 11. An assignee or delegee that creates, receives, or maintains educational data is subject to the same restrictions and obligations under this section as the technology provider.

(b) Educational data created, received, or maintained by a technology provider pursuant or incidental to a contract with a school district are not the technology provider's property.

(c) If educational data maintained by the technology provider are subject to a breach of the security of the data, as defined in section 13.055, the technology provider must, following discovery of the breach, disclose to the school district all information necessary to fulfill the requirements of section 13.055.

(d) Unless renewal of the contract is reasonably anticipated, within 30 days of the expiration of the contract, a technology provider must destroy or return to the appropriate school district all educational data created, received, or maintained pursuant or incidental to the contract.

(e) A technology provider must not:

(1) sell, share, or disseminate educational data, except as provided by this section or as part of a valid delegation or assignment of its contract with a school district; or

(2) use educational data for any commercial purpose, including but not limited to marketing or advertising to a student or parent.

Subd. 3. **Procedures.** (a) A technology provider must establish written procedures to ensure appropriate security safeguards are in place for educational data. A technology provider's written procedures must require that:

(1) only authorized employees or contractors can access the educational data;

(2) a person is authorized to access educational data only if access is necessary to fulfill official duties; and

(3) all actions in which educational data are entered, updated, accessed, shared, or disseminated are recorded in a log-of-use that includes the identity of the person interacting with the data and what action was performed. Information recorded in the log-of-use must be retained for at least one year.

(b) A technology provider's written procedures establishing security safeguards for educational data are public data, unless classified as not public under any other applicable law.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 3. **[125B.28] SCHOOL DISTRICT REQUIREMENTS.**

Subdivision 1. **Notice.** (a) Within 30 days of the start of each school year, a school district must give parents and students notice by United States mail, e-mail, or other direct form of communication, of any technology provider contract affecting a student's educational data. The notice must:

(1) identify each technology provider with access to educational data;

(2) identify the educational data affected by the technology provider contract; and

(3) include information about the opt-out rights provided in subdivision 2 and how to access a copy of the contract in accordance with paragraph (b).

(b) A school district must publish a complete copy of any contract with a technology provider on the district Web site for the duration of the contract.

Subd. 2. **Audit trail.** (a) A school district must establish written procedures to ensure appropriate security safeguards are in place for educational data stored on a school district's electronic database, software application, or cloud-based service. These procedures must require that:

(1) only authorized persons can access the educational data;

(2) a person is authorized to access educational data only if access is necessary to fulfill official duties; and

(3) all actions in which educational data are entered, updated, accessed, shared, or disseminated are recorded in a log-of-use that includes the identity of the person interacting with the data and what action was performed. Information recorded in the log-of-use must be retained for at least one year.

(b) The written procedures required by paragraph (a) are public data unless classified as not public under any other applicable law.

(c) Paragraph (a), clause (3), does not apply to technology systems that were in use prior to January 1, 2019, and that lack the capacity to automatically record actions in a log-of-use.

Subd. 3. **Training.** To ensure understanding of and compliance with applicable provisions of sections 121A.065, 125B.27 to 125B.29, and the Family Educational Rights and Privacy Act, United States Code, title 20, section 1232g, and its regulations as provided by Code of Federal Regulations, title 34, part 99, a school district must:

(1) to the extent practicable provide training for all administrative staff, information technology directors, teachers, and any other employee with access to educational data within 90 days of the beginning of the school year on compliance with applicable provisions of law under this subdivision, and related district procedures; and

(2) provide all employees and independent contractors with access to educational data written materials on compliance with applicable provisions of law under this subdivision.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 4. **[125B.29] SCHOOL-ISSUED DEVICES.**

Subdivision 1. **Definition; school-issued device.** "School-issued device" means a technological device that a school district, acting independently or with a technology provider, provides to an individual student for that student's dedicated personal use. A school-issued device includes a device issued through a one-to-one program.

Subd. 2. **Prohibition on access.** Except as provided in subdivision 3, a government entity or technology provider, as defined in section 125B.27, must not access or monitor:

(1) any location-tracking feature of a school-issued device;

(2) any audio or visual receiving, transmitting, or recording features of a school-issued device; or

(3) student interactions with a school-issued device, including but not limited to keystrokes and Web browsing activity.

Subd. 3. **Exceptions.** A government entity or technology provider, as defined in section 125B.27, may engage in activities prohibited under subdivision 2 only if:

(1) the student to whom the school-issued device was issued initiates and agrees to the activity and the activity is limited to a noncommercial educational purpose;

(2) the activity is permitted under a judicial warrant;

(3) the student to whom the school-issued device was issued or that student's parent notifies the school district or a law enforcement agency that the device is missing or stolen;

(4) the activity is necessary to protect the health and safety of the student; or

(5) the activity is limited to that which is prohibited by subdivision 2, clause (3), and is necessary to investigate compliance with a school district's acceptable use policy.

Subd. 4. **Notice.** If a government entity or technology provider interacts with a school-issued device as provided in subdivision 3, clause (4), it must, within 72 hours of the access, notify the student to whom the device was issued or that student's parent and provide a written description of the interaction, including which features of the device were accessed and a description of the threat. This notice is not required if the notice itself would endanger the health or safety of a student.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

Sec. 5. [125B.30] NONPUBLIC SCHOOLS.

(a) Notwithstanding any law to the contrary, a nonpublic school, excluding a home school, must comply with sections 125B.27 to 125B.29 as if it were a school district.

(b) A technology provider contracting with a nonpublic school, excluding a home school, must comply with sections 125B.27 to 125B.29 as if that school were a school district.

EFFECTIVE DATE. This section is effective for the 2019-2020 school year and later.

ARTICLE 6
NUTRITION

Section 1. Minnesota Statutes 2017 Supplement, section 123B.52, subdivision 7, is amended to read:

Subd. 7. **Food service contracts.** A contract between a school board and a food service management company that complies with Code of Federal Regulations, title 7, section 210.16, 225.15, paragraph (m), or 226.21 may be renewed annually after its initial term for not more than four additional years.

Sec. 2. Minnesota Statutes 2016, section 124D.111, is amended to read:

124D.111 RESPECTFUL SCHOOL MEALS POLICY; LUNCH AID; FOOD SERVICE ACCOUNTING.

Subdivision 1. **School lunch aid computation.** Each school year, the state must pay participants in the national school lunch program the amount of 12.5 cents for each full paid and free student lunch and 52.5 cents for each reduced-price lunch served to students.

Subd. 2. **Application.** A school district, charter school, nonpublic school, or other participant in the national school lunch program shall apply to the department for this payment on forms provided by the department.

Subd. 2a. **Federal child and adult care food program; criteria and notice.** The commissioner must post on the department's Web site eligibility criteria and application information for nonprofit organizations interested in applying to the commissioner for approval as a multisite sponsoring organization under the federal child and adult care food program. The posted criteria and information must inform interested nonprofit organizations about:

(1) the criteria the commissioner uses to approve or disapprove an application, including how an applicant demonstrates financial viability for the Minnesota program, among other criteria;

(2) the commissioner's process and time line for notifying an applicant when its application is approved or disapproved and, if the application is disapproved, the explanation the commissioner provides to the applicant; and

(3) any appeal or other recourse available to a disapproved applicant.

Subd. 3. **School food service fund.** (a) The expenses described in this subdivision must be recorded as provided in this subdivision.

(b) In each district, the expenses for a school food service program for pupils must be attributed to a school food service fund. Under a food service program, the school food service may prepare or serve milk, meals, or snacks in connection with school or community service activities.

(c) Revenues and expenditures for food service activities must be recorded in the food service fund. The costs of processing applications, accounting for meals, preparing and serving food, providing kitchen custodial services, and other expenses involving the preparing of meals or the kitchen section of the lunchroom may be charged to the food service fund or to the general fund of the district. The costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program must be charged to the general fund.

That portion of superintendent and fiscal manager costs that can be documented as attributable to the food service program may be charged to the food service fund provided that the school district does not employ or contract with a food service director or other individual who manages the food service program, or food service management company. If the cost of the superintendent or fiscal manager is charged to the food service fund, the charge must be at a wage rate not to exceed the statewide average for food service directors as determined by the department.

(d) Capital expenditures for the purchase of food service equipment must be made from the general fund and not the food service fund, unless the restricted balance in the food service fund at the end of the last fiscal year is greater than the cost of the equipment to be purchased.

(e) If the condition set out in paragraph (d) applies, the equipment may be purchased from the food service fund.

(f) If a deficit in the food service fund exists at the end of a fiscal year, and the deficit is not eliminated by revenues from food service operations in the next fiscal year, then the deficit must be eliminated by a permanent fund transfer from the general fund at the end of that second fiscal year. However, if a district contracts with a food service management company during the period in which the deficit has accrued, the deficit must be eliminated by a payment from the food service management company. A district's meal charge policy may allow a district to collect unpaid meal debt that contributes to a food service fund deficit. Such collection efforts must be consistent with subdivisions 4 and 5.

(g) Notwithstanding paragraph (f), a district may incur a deficit in the food service fund for up to three years without making the permanent transfer if the district submits to the commissioner by January 1 of the second fiscal year a plan for eliminating that deficit at the end of the third fiscal year.

(h) If a surplus in the food service fund exists at the end of a fiscal year for three successive years, a district may recode for that fiscal year the costs of lunchroom supervision, lunchroom custodial services, lunchroom utilities, and other administrative costs of the food service program charged to the general fund according to paragraph (c) and charge those costs to the food service fund in a total amount not to exceed the amount of surplus in the food service fund.

Subd. 4. **No fees.** A participant that receives school lunch aid under this section must make lunch available without charge and must not deny a school lunch to all participating students who qualify for free or reduced-price meals, whether or not that student has an outstanding balance in the student's meals account attributable to a la carte purchases or for any other reason.

Subd. 5. **Respectful treatment.** (a) The participant must also provide meals to participating students in a respectful manner and ensure that any reminders for payment of outstanding student meal balances do not demean or stigmatize any child participating in the school lunch program and conform to the participant's school meals policy.

(b) Once a participant has placed a meal on a tray or otherwise served the meal to a student, the meal must not be subsequently withdrawn from the student by the cashier or other school official whether or not the student has an outstanding meals balance.

(c) Notwithstanding section 123B.38, the participant must not limit a student's participation in any school activities, graduation ceremonies, field trips, athletics, activity clubs, or other extracurricular activities or access to materials, technology, or other items provided to other students. The participant must not impose any other restriction prohibited under section 123B.37 due to unpaid student meal balances or any other unpaid fee.

(d) The participant must not discipline a student due to an unpaid student meal balance.

EFFECTIVE DATE. This section is effective July 1, 2018.

ARTICLE 7 EARLY CHILDHOOD AND FAMILY SUPPORT

Section 1. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 2, is amended to read:

Subd. 2. **Family eligibility.** (a) For a family to receive an early learning scholarship, parents or guardians must meet the following eligibility requirements:

(1) have an eligible child; and

(2) have income equal to or less than 185 percent of federal poverty level income in the current calendar year, or be able to document their child's current participation in the free and reduced-price lunch program or Child and Adult Care Food Program, National School Lunch Act, United States Code, title 42, sections 1751 and 1766; the Food Distribution Program on Indian Reservations, Food and Nutrition Act, United States Code, title 7, sections 2011-2036; Head Start under the federal Improving Head Start for School Readiness Act of 2007; Minnesota family investment program under chapter 256J; child care assistance programs under chapter 119B; the supplemental nutrition assistance program; or placement in foster care under section 260C.212. Parents or guardians are not required to provide income verification under this clause if the child is an eligible child under paragraph (b), clause (4) or (5).

(b) An "eligible child" means a child who has not yet enrolled in kindergarten and is:

(1) at least three but not yet five years of age on September 1 of the current school year;

(2) a sibling from birth to age five of a child who has been awarded a scholarship under this section provided the sibling attends the same program as long as funds are available;

(3) the child of a parent under age 21 who is pursuing a high school degree or a course of study for a high school equivalency test; ~~or~~

~~(4) homeless, in foster care, or in need of child protective services.~~

(4) designated as a child in need of protection or services as defined under section 260C.007; or

(5) designated as homeless under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

(c) A child who has received a scholarship under this section must continue to receive a scholarship each year until that child is eligible for kindergarten under section 120A.20 and as long as funds are available.

(d) Early learning scholarships may not be counted as earned income for the purposes of medical assistance under chapter 256B, MinnesotaCare under chapter 256L, Minnesota family investment program under chapter 256J, child care assistance programs under chapter 119B, or Head Start under the federal Improving Head Start for School Readiness Act of 2007.

(e) A child from an adjoining state whose family resides at a Minnesota address as assigned by the United States Postal Service, who has received developmental screening under sections 121A.16 to 121A.19, who intends to enroll in a Minnesota school district, and whose family meets the criteria of paragraph (a) is eligible for an early learning scholarship under this section.

Sec. 2. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 3, is amended to read:

Subd. 3. **Administration.** (a) The commissioner shall establish application timelines and determine the schedule for awarding scholarships that meets operational needs of eligible families and programs. The commissioner must give highest priority to applications from children who:

(1) have a parent under age 21 who is pursuing a high school diploma or a course of study for a high school equivalency test;

(2) are in foster care or otherwise in need of protection or services; or

(3) have experienced homelessness in the last 24 months, as defined under the federal McKinney-Vento Homeless Assistance Act, United States Code, title 42, section 11434a.

The commissioner may prioritize applications on additional factors including family income, geographic location, and whether the child's family is on a waiting list for a publicly funded program providing early education or child care services.

(b) The commissioner shall establish a target for the average scholarship amount per child based on the results of the rate survey conducted under section 119B.02.

(c) A four-star rated program that has children eligible for a scholarship enrolled in or on a waiting list for a program beginning in July, August, or September may notify the commissioner, in the form and manner prescribed by the commissioner, each year of the program's desire to enhance program services or to serve more children than current funding provides. The commissioner may designate a predetermined number of scholarship slots for that program and notify the program of that number. For fiscal year 2018 and later, the statewide amount of funding directly designated by the commissioner must not exceed the funding directly designated for fiscal year 2017. Beginning July 1, 2016, a school district or Head Start program qualifying under this paragraph may use its established registration process to enroll scholarship recipients and may verify a scholarship recipient's family income in the same manner as for other program participants.

(d) A scholarship is awarded for a 12-month period. If the scholarship recipient has not been accepted and subsequently enrolled in a rated program within ten months of the awarding of the scholarship, the scholarship cancels and the recipient must reapply in order to be eligible for another scholarship. A child may not be awarded more than one scholarship in a 12-month period.

(e) A child over the age of three who receives a scholarship ~~who~~ and has not completed development screening under sections 121A.16 to 121A.19 must complete that screening within 90 days of first attending an eligible program. A child who receives a scholarship before the age of three must complete the developmental screening no later than 90 days after the child's third birthday.

(f) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph (c) may apply to the commissioner, in the form and manner prescribed by the commissioner, for direct payment of state aid. Upon receipt of the application, the commissioner must pay each program directly for each approved scholarship recipient enrolled under paragraph (c) according to the metered payment system or another schedule established by the commissioner.

Sec. 3. Minnesota Statutes 2017 Supplement, section 124D.165, subdivision 4, is amended to read:

Subd. 4. **Early childhood program eligibility.** (a) In order to be eligible to accept an early learning scholarship, a program must:

- (1) participate in the quality rating and improvement system under section 124D.142; and
- (2) beginning July 1, 2020, have a three- or four-star rating in the quality rating and improvement system.

(b) Any program accepting scholarships must use the revenue to supplement and not supplant federal funding.

~~(c) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.~~

ARTICLE 8 SELF-SUFFICIENCY AND LIFELONG LEARNING

Section 1. Minnesota Statutes 2017 Supplement, section 124D.549, is amended to read:

124D.549 COMMISSIONER-SELECTED HIGH SCHOOL EQUIVALENCY ~~TEST~~ TESTS.

The commissioner, in consultation with adult basic education stakeholders, must select ~~a~~ at least one high school equivalency test. The commissioner may issue a high school equivalency diploma to a Minnesota resident 19 years of age or older who has not earned a high school diploma, who has not previously been issued a ~~general education development (GED) certification~~ high school equivalency diploma, and who has exceeded or achieved a minimum

passing score on ~~the~~ an approved equivalency test established by the publisher. The commissioner of education may waive the minimum age requirement if supportive evidence is provided by an employer or a recognized education or rehabilitation provider.

Sec. 2. Minnesota Statutes 2017 Supplement, section 136A.246, subdivision 4, is amended to read:

Subd. 4. **Application.** Applications must be made to the commissioner on a form provided by the commissioner. The commissioner must, to the extent possible, make the application form as short and simple to complete as is reasonably possible. The commissioner shall establish a schedule for applications and grants. The application must include, without limitation:

- (1) the projected number of employee trainees;
- (2) the number of projected employee trainees who graduated from high school or passed ~~the~~ a commissioner of education-selected high school equivalency test in the current or immediately preceding calendar year;
- (3) the competency standard for which training will be provided;
- (4) the credential the employee will receive upon completion of training;
- (5) the name and address of the training institution or program and a signed statement by the institution or program that it is able and agrees to provide the training;
- (6) the period of the training; and
- (7) the cost of the training charged by the training institution or program and certified by the institution or program. The cost of training includes tuition, fees, and required books and materials.

An application may be made for training of employees of multiple employers either by the employers or by an organization on their behalf.

Sec. 3. Minnesota Statutes 2017 Supplement, section 155A.30, subdivision 12, is amended to read:

Subd. 12. **Minnesota state authorization.** A cosmetology school licensed or applying for licensure under this section shall maintain recognition as an institution of postsecondary study by meeting the following conditions, in addition to the provisions of Minnesota Rules, ~~parts~~ part 2110.0310 ~~and 2110.0370~~:

- (1) the school must admit as regular students only those individuals who have a high school diploma or a diploma based on passing a commissioner of education-selected high school equivalency ~~tests or their equivalent test~~, or who are beyond the age of compulsory education as prescribed by section 120A.22; and
- (2) the school must be licensed by name and authorized by the Office of Higher Education and the board to offer one or more training programs beyond the secondary level."

Amend the title as follows:

Page 1, line 3, after "teachers," insert "special education,"

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3343, A bill for an act relating to open meeting law; modifying requirements for attendance by interactive television; amending Minnesota Statutes 2016, section 13D.02, subdivision 1.

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 3369, A bill for an act relating to transportation finance; modifying and establishing various transportation finance, budgeting, appropriations, accounting, fiscal planning, and reporting provisions related to the Metropolitan Council; amending Minnesota Statutes 2016, sections 16A.88, subdivision 2; 473.13, subdivisions 1, 4, by adding subdivisions; 473.146, subdivisions 1, 3; 473.375, by adding a subdivision; 473.4051, subdivision 3; Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1
TRANSPORTATION POLICY

Section 1. Minnesota Statutes 2017 Supplement, section 3.972, subdivision 4, is amended to read:

Subd. 4. **Certain transit financial activity reporting.** (a) The legislative auditor must perform a transit financial activity review of financial information for the Metropolitan Council's Transportation Division ~~and the joint powers board under section 297A.992. Within 14 days of the end of each fiscal quarter, two times each year. The first report, due April 1, must include the quarters ending on September 30 and December 31 of the previous calendar year. The second report, due October 1, must include the quarters ending on March 31 and June 30 of the current year.~~ The legislative auditor must submit the review to the Legislative Audit Commission and the chairs and ranking minority members of the legislative committees with jurisdiction over transportation policy and finance, finance, and ways and means.

(b) At a minimum, each transit financial activity review must include:

(1) a summary of monthly financial statements, including balance sheets and operating statements, that shows income, expenditures, and fund balance;

(2) a list of any obligations and agreements entered into related to transit purposes, whether for capital or operating, including but not limited to bonds, notes, grants, and future funding commitments;

(3) the amount of funds in clause (2) that has been committed;

(4) independent analysis by the fiscal oversight officer of the fiscal viability of revenues and fund balance compared to expenditures, taking into account:

(i) all expenditure commitments;

- (ii) cash flow;
- (iii) sufficiency of estimated funds; and
- (iv) financial solvency of anticipated transit projects; and
- (5) a notification concerning whether the requirements under paragraph (c) have been met.

(c) The Metropolitan Council ~~and the joint powers board under section 297A.992~~ must produce monthly financial statements as necessary for the review under paragraph (b), clause (1), and provide timely information as requested by the legislative auditor.

(d) This subdivision expires on April 15, 2023.

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

Sec. 2. Minnesota Statutes 2017 Supplement, section 160.02, subdivision 1a, is amended to read:

Subd. 1a. **Bikeway.** "Bikeway" ~~means a bicycle lane, bicycle path, shared use path, bicycle route, or similar bicycle facility, regardless of whether designed for the exclusive use of bicycles or for shared use with other transportation modes~~ has the meaning given in section 169.011, subdivision 9.

Sec. 3. Minnesota Statutes 2017 Supplement, section 160.262, subdivision 1, is amended to read:

Subdivision 1. **Bikeways; powers and duties; design guidelines.** (a) The legislature determines that it is in the interests of the public health, safety and welfare, to provide for the addition of bikeways to proposed and existing public highways. The commissioner of transportation is authorized to (1) plan, design, establish, and maintain bikeways on the right-of-way of any trunk highway. The commissioner is responsible for the design and construction of all bikeway projects within the right of way of any trunk highway, and (2) identify, plan, design, and assist in development of bikeways throughout the state.

(b) The commissioner must consider the development of bikeways during the planning, design, construction, reconstruction, or improvement of any trunk highway, or allow the establishment of such bikeways within trunk highway right-of-way.

~~(b)~~ (c) The commissioner must maintain bikeway design guidelines consistent with the state transportation goals in section 174.01.

~~(c)~~ (d) The commissioner must compile and maintain a map of bikeways in the state and must publish and distribute the map's information at least once every two years in a form and manner suitable to assist persons wishing to use the bikeways.

~~(d)~~ (e) The commissioner is responsible to design and construct all bikeway projects within the right-of-way of any trunk highway. The commissioner must maintain bikeways within the limits of trunk highway right-of-way unless a written agreement or limited use permit provides otherwise.

Sec. 4. Minnesota Statutes 2017 Supplement, section 160.262, subdivision 3, is amended to read:

Subd. 3. **Cooperation among agencies and governments.** (a) The commissioner must cooperate with road and trail authorities, including the commissioner of natural resources, the commissioner of employment and economic development, and any other state agency the commissioner deems necessary, to identify, plan, design, and assist in developing bikeways throughout the state.

(b) The departments and agencies on the nonmotorized transportation advisory committee identified in section 174.37 must provide information and advice for the bikeway design guidelines maintained by the commissioner of transportation.

(c) The commissioner may cooperate with and enter into agreements with the United States government, any department of the state of Minnesota, any unit of local government, any tribal government, or any public or private corporation in order to effect the purposes of this section.

Sec. 5. Minnesota Statutes 2017 Supplement, section 160.266, subdivision 3, is amended to read:

Subd. 3. **Connections with other bikeways.** (a) The commissioner, in cooperation with road and trail authorities including the commissioner of natural resources, must:

(1) identify existing bikeways of regional significance that are in reasonable proximity but not connected to the state bicycle routes established under this section; and

(2) support development of linkages (i) between state bicycle routes and bikeways under the jurisdiction of other road and trail authorities, and (ii) among state bicycle routes established under this section.

(b) The requirements of this subdivision are a secondary priority for use of funds available under this section following establishment and enhancement of state bicycle routes under this section.

Sec. 6. Minnesota Statutes 2017 Supplement, section 160.266, subdivision 5, is amended to read:

Subd. 5. **Funding.** Shared use paths included within state bicycle routes and not administered by the commissioner of natural resources are eligible for funding from the environment and natural resources trust fund under chapter 116P, from the parks and trails grant program under section 85.535, from the local recreation grants program under section 85.019, subdivision 4b, from the active transportation program under section 174.38, and from other sources.

Sec. 7. Minnesota Statutes 2016, section 160.295, subdivision 5, is amended to read:

Subd. 5. **Rural agricultural business or tourist-oriented business.** (a) A rural agricultural or tourist-oriented business serviced by a specific service sign must be open a minimum of eight hours per day, six days per week, and 12 months per year. ~~However,~~

(b) A seasonal business ~~may qualify if it is~~ serviced by a specific service sign must be open eight hours per day and six days per week during the normal seasonal period.

(c) A farm winery serviced by a specific service sign must:

(1) be licensed under section 340A.315;

(2) be licensed by the Department of Health under section 157.16;

(3) provide continuous, staffed food service operation; and

(4) be open at least four hours per day and two days per week.

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

Sec. 8. **[161.126] WEIGH STATIONS.**

(a) The commissioner must establish a minimum design length of 2,500 feet for the entrance ramp from a fixed weigh station where the ramp merges into the left-hand lane of a trunk highway.

(b) The commissioners of transportation and public safety may operate a fixed weigh station only if the requirements of this section are met.

EFFECTIVE DATE. This section is effective November 1, 2018.

Sec. 9. Minnesota Statutes 2016, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. **Salvage titles.** (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a ~~late model or high value~~ vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. Within ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

(b) A person shall immediately apply for a salvage certificate of title if the person acquires a damaged ~~late model or high value~~ vehicle with an out-of-state title and the vehicle:

- (1) is a vehicle that was acquired by an insurer through payment of damages;
- (2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle; or
- (3) has an out-of-state salvage certificate of title as proof of ownership.

(c) A self-insured owner of a late-model or high-value vehicle that sustains damage by collision or other occurrence which exceeds 80 percent of its actual cash value shall immediately apply for a salvage certificate of title.

Sec. 10. Minnesota Statutes 2016, section 169.011, subdivision 5, is amended to read:

Subd. 5. **Bicycle lane.** "Bicycle lane" means a portion of a roadway ~~or shoulder~~ designed for exclusive or preferential use by persons using bicycles. Bicycle lanes are to be distinguished from the portion of the roadway ~~or shoulder~~ used for motor vehicle traffic by physical barrier, striping, marking, or other similar device.

Sec. 11. Minnesota Statutes 2016, section 169.011, subdivision 9, is amended to read:

Subd. 9. **Bikeway.** "Bikeway" means a bicycle lane, bicycle path, ~~or~~ bicycle route, shared use path, or similar bicycle facility, regardless of whether it is designed for the exclusive use of bicycles or ~~is to be~~ for shared use with other transportation modes.

Sec. 12. Minnesota Statutes 2016, section 169.011, subdivision 60, is amended to read:

Subd. 60. **Railroad train.** "Railroad train" means a steam engine, electric or other motor, with or without cars coupled thereto, operated upon rails, except streetcars. Railroad train includes on-track equipment or other rolling stock operated upon rails, whether self-propelled or coupled to another device.

Sec. 13. Minnesota Statutes 2016, section 169.18, subdivision 3, is amended to read:

Subd. 3. **Passing.** ~~The following rules shall govern the overtaking and passing of vehicles proceeding in the same direction, subject to the limitations, exceptions, and special rules hereinafter stated:~~

~~(1) (a) The driver of a vehicle overtaking another vehicle proceeding in the same direction shall must pass to the left thereof of the other vehicle at a safe distance and shall not again drive is prohibited from returning to the right side of the roadway until safely clear of the overtaken vehicle;~~

~~(2) (b) Except when overtaking and passing on the right is permitted, the driver of an overtaken vehicle shall must give way to the right in favor of the overtaking vehicle on audible warning, and shall must not increase the speed of the overtaken vehicle until completely passed by the overtaking vehicle; and~~

~~(3) (c) The operator of a motor vehicle overtaking a bicycle or individual proceeding in the same direction on the roadway shall leave or shoulder must:~~

~~(1) either (i) maintain a safe clearance distance while passing, but in no case less than three feet clearance, when passing the bicycle or individual or one-half the width of the motor vehicle, whichever is greater; or (ii) completely enter another lane of the roadway while passing; and shall~~

~~(2) maintain clearance until the motor vehicle has safely past passed the overtaken bicycle or individual.~~

Sec. 14. Minnesota Statutes 2016, section 169.222, subdivision 1, is amended to read:

Subdivision 1. **Traffic laws apply.** (a) Every person operating a bicycle ~~shall have~~ has all of the rights and duties applicable to the driver of any other vehicle by this chapter, except in respect to those provisions in this chapter relating expressly to bicycles and in respect to those provisions of this chapter which by their nature cannot reasonably be applied to bicycles. This subdivision applies to a bicycle operating on the shoulder of a roadway.

(b) A person lawfully operating a bicycle (1) on a sidewalk, or (2) across a roadway or shoulder on a crosswalk, has all the rights and duties applicable to a pedestrian under the same circumstances.

Sec. 15. Minnesota Statutes 2016, section 169.222, subdivision 4, is amended to read:

Subd. 4. **Riding rules.** (a) Every person operating a bicycle ~~upon a roadway shall~~ on a road must ride as close as practicable to the right-hand curb or edge of the ~~roadway except under any of the following situations~~ road as the bicycle operator determines is safe. A person operating a bicycle is not required to ride as close to the right-hand curb when:

(1) ~~when~~ overtaking and passing another vehicle proceeding in the same direction;

(2) ~~when~~ preparing for a left turn at an intersection or into a private road or driveway;

(3) ~~when~~ reasonably necessary to avoid conditions that make it unsafe to continue along the right-hand curb or edge, including fixed or moving objects, vehicles, pedestrians, animals, surface hazards, or narrow width lanes, ~~that make it unsafe to continue along the right-hand curb or edge~~; or

(4) ~~when~~ operating on the shoulder of a roadway or in a bicycle lane; or

(5) operating in a right-hand turn lane prior to entering an intersection.

(b) If a bicycle is traveling on a shoulder of a roadway, the bicycle ~~shall~~ operator must travel in the same direction as adjacent vehicular traffic.

(c) Persons riding bicycles upon a roadway or shoulder shall not ride more than two abreast and shall not impede the normal and reasonable movement of traffic and, on a laned roadway, shall ride within a single lane.

(d) A person operating a bicycle upon a sidewalk, or across a roadway or shoulder on a crosswalk, shall yield the right-of-way to any pedestrian and shall give an audible signal when necessary before overtaking and passing any pedestrian. No person shall ride a bicycle upon a sidewalk within a business district unless permitted by local authorities. Local authorities may prohibit the operation of bicycles on any sidewalk or crosswalk under their jurisdiction.

(e) An individual operating a bicycle or other vehicle on a bikeway shall leave a safe distance when overtaking a bicycle or individual proceeding in the same direction on the bikeway, and shall maintain clearance until safely past the overtaken bicycle or individual.

~~(f) A person lawfully operating a bicycle on a sidewalk, or across a roadway or shoulder on a crosswalk, shall have all the rights and duties applicable to a pedestrian under the same circumstances.~~

~~(g)~~ (f) A person may operate an electric-assisted bicycle on the shoulder of a roadway, on a bikeway, or on a bicycle trail if not otherwise prohibited under section 85.015, subdivision 1d; 85.018, subdivision 2, paragraph (d); or 160.263, subdivision 2, paragraph (b), as applicable.

(g) Notwithstanding section 169.06, subdivision 4, a bicycle operator may cross an intersection proceeding from a dedicated right-hand turn lane without turning right.

Sec. 16. Minnesota Statutes 2016, section 169.26, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) Except as provided in section 169.28, subdivision 1, when any person driving a vehicle approaches a railroad grade crossing under any of the circumstances stated in this paragraph, the driver shall stop the vehicle not less than ten feet from the nearest railroad track and shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. These requirements apply when:

- (1) a clearly visible electric or mechanical signal device warns of the immediate approach of a railroad train; or
- (2) an approaching railroad train is plainly visible and is in hazardous proximity.

(b) The fact that a moving railroad train approaching a railroad grade crossing is visible from the crossing is prima facie evidence that it is not safe to proceed.

(c) The driver of a vehicle shall stop and remain stopped and not traverse the grade crossing when a human flagger signals the approach or passage of a railroad train or when a crossing gate is lowered warning of the immediate approach or passage of a railroad train. No person may drive a vehicle past a flagger at a railroad crossing until the flagger signals that the way is clear to proceed or drive a vehicle past a lowered crossing gate.

Sec. 17. Minnesota Statutes 2016, section 169.28, is amended to read:

169.28 CERTAIN VEHICLES TO STOP AT RAILROAD CROSSING.

Subdivision 1. **Requirements.** (a) The driver of any motor vehicle carrying passengers for hire, or of any school bus whether carrying passengers or not, or of any Head Start bus whether carrying passengers or not, or of any vehicle that is required to stop at railroad grade crossings under Code of Federal Regulations, title 49, section 392.10, before crossing at grade any track or tracks of a railroad, shall stop the vehicle not less than 15 feet nor more than 50 feet from the nearest rail of the railroad and while so stopped shall listen and look in both directions along the track for any approaching railroad train, and for signals indicating the approach of a railroad train, except as ~~hereinafter otherwise provided, and in this section.~~ The driver shall not proceed until safe to do so and until the roadway is clear of traffic so that the vehicle can proceed without stopping until the rear of the vehicle is at least ten feet past the farthest railroad track. The driver must not shift gears while crossing the railroad tracks.

(b) A school bus or Head Start bus shall not be flagged across railroad grade crossings except at those railroad grade crossings that the local school administrative officer may designate.

(c) A type III vehicle, as defined in section 169.011, is exempt from the requirement of school buses to stop at railroad grade crossings.

(d) The requirements of this subdivision do not apply to the crossing of light rail vehicle track or tracks that are located in a public street when:

(1) the crossing occurs within the intersection of two or more public streets;

(2) the intersection is controlled by a traffic-control signal; and

(3) the intersection is marked with signs indicating to drivers that the requirements of this subdivision do not apply. Notwithstanding any other provision of law, the owner or operator of the track or tracks is authorized to place, maintain, and display the signs upon and in the view of the public street or streets.

Subd. 2. **Exempt crossing.** (a) The commissioner may designate a crossing as an exempt crossing:

(1) if the crossing is on a rail line on which service has been abandoned;

(2) if the crossing is on a rail line that carries fewer than five trains each year, traveling at speeds of ten miles per hour or less; or

(3) as agreed to by the operating railroad and the Department of Transportation, following a diagnostic review of the crossing.

(b) The commissioner shall direct the railroad to erect at the crossing signs bearing the word "Exempt" that conform to section 169.06. The installation or presence of an exempt sign does not relieve a driver of the duty to use due care.

(c) A railroad train must not proceed across an exempt crossing unless a police officer is present to direct traffic or a railroad employee is on the ground to warn traffic until the railroad train enters the crossing.

~~(d)~~ (d) A vehicle that must stop at grade crossings under subdivision 1 is not required to stop at a marked exempt crossing unless directed otherwise by a police officer or a railroad employee.

Sec. 18. Minnesota Statutes 2016, section 169.29, is amended to read:

169.29 CROSSING RAILROAD TRACKS WITH CERTAIN EQUIPMENT.

(a) No person shall operate or move any caterpillar tractor, steam shovel, derrick, roller, or any equipment or structure having a normal operating speed of six or less miles per hour or a vertical body or load clearance of less than nine inches above the level surface of a roadway upon or across any tracks at a railroad grade crossing without first complying with this section.

(b) Before making any crossing, the person operating or moving any vehicle or equipment set forth in this section shall first stop the same not less than ten, nor more than 50, feet from the nearest rail of the railway, and while so stopped shall listen and look in both directions along the track for any approaching railroad train and for signals indicating the approach of a railroad train, and shall not proceed until the crossing can be made safely.

(c) No crossing shall be made when warning is given by automatic signal or crossing gates or a flagger or otherwise of the immediate approach of a railroad train or car.

(d) No stop need be made at a crossing on a rail line on which service has been abandoned and where a sign erected in conformance with section 169.06 and bearing the word "Exempt" has been installed, unless directed otherwise by a flagger. The installation or presence of an exempt sign shall not relieve any driver of the duty to use due care.

Sec. 19. Minnesota Statutes 2016, section 169.345, subdivision 2, is amended to read:

Subd. 2. **Definitions.** (a) For the purpose of section 168.021 and this section, the following terms have the meanings given them in this subdivision.

(b) "Health professional" means a licensed physician, licensed physician assistant, advanced practice registered nurse, licensed physical therapist, or licensed chiropractor.

(c) "Long-term certificate" means a certificate issued for a period greater than 12 months but not greater than 71 months.

(d) "Organization certificate" means a certificate issued to an entity other than a natural person for a period of three years.

(e) "Permit" refers to a permit that is issued for a period of 30 days, in lieu of the certificate referred to in subdivision 3, while the application is being processed.

(f) "Physically disabled person" means a person who:

(1) because of disability cannot walk without significant risk of falling;

(2) because of disability cannot walk 200 feet without stopping to rest;

(3) because of disability cannot walk without the aid of another person, a walker, a cane, crutches, braces, a prosthetic device, or a wheelchair;

(4) is restricted by a respiratory disease to such an extent that the person's forced (respiratory) expiratory volume for one second, when measured by spirometry, is less than one liter;

(5) has an arterial oxygen tension (PaO₂) of less than 60 mm/Hg on room air at rest;

(6) uses portable oxygen;

(7) has a cardiac condition to the extent that the person's functional limitations are classified in severity as class III or class IV according to standards set by the American Heart Association;

(8) has lost an arm or a leg and does not have or cannot use an artificial limb; or

(9) has a disability that would be aggravated by walking 200 feet under normal environmental conditions to an extent that would be life threatening.

(g) "Short-term certificate" means a certificate issued for a period greater than six months but not greater than 12 months.

(h) "Six-year certificate" means a certificate issued for a period of six years.

(i) "Temporary certificate" means a certificate issued for a period not greater than six months.

Sec. 20. Minnesota Statutes 2016, section 169.71, subdivision 4, is amended to read:

Subd. 4. **Glazing material; prohibitions and exceptions.** (a) No person shall drive or operate any motor vehicle required to be registered in the state of Minnesota upon any street or highway under the following conditions:

(1) when the windshield is composed of, covered by, or treated with any material which has the effect of making the windshield more reflective or in any other way reducing light transmittance through the windshield;

(2) when any window on the vehicle is composed of, covered by, or treated with any material that has a highly reflective or mirrored appearance;

(3) when any side window or rear window is composed of or treated with any material so as to obstruct or substantially reduce the driver's clear view through the window or has a light transmittance of less than 50 percent plus or minus three percent in the visible light range or a luminous reflectance of more than 20 percent plus or minus three percent; or

(4) when any material has been applied after August 1, 1985, to any motor vehicle window without an accompanying permanent marking which indicates the percent of transmittance and the percent of reflectance afforded by the material. The marking must be in a manner so as not to obscure vision and be readable when installed on the vehicle.

(b) This subdivision does not apply to glazing materials which:

(1) have not been modified since the original installation, nor to original replacement windows and windshields, that were originally installed or replaced in conformance with Federal Motor Vehicle Safety Standard 205;

(2) are required to satisfy prescription or medical needs of the driver of the vehicle or a passenger if:

(i) the driver or passenger is in possession of the prescription or a physician's statement of medical need;

(ii) the prescription or statement specifically states the minimum percentage that light transmittance may be reduced to satisfy the prescription or medical needs of the patient; and

(iii) the prescription or statement contains an expiration date, which must be no more than two years after the date the prescription or statement was issued; or

(3) are applied to:

(i) the rear windows of a pickup truck as defined in section 168.002, subdivision 26;

(ii) the rear windows or the side windows on either side behind the driver's seat of a van as defined in section 168.002, subdivision 40;

(iii) the side and rear windows of a vehicle used to transport human remains by a funeral establishment holding a license under section 149A.50;

(iv) the side and rear windows of a limousine as defined in section 168.002, subdivision 15, that is registered in compliance with the requirements of section 168.128; or

(v) the rear and side windows of a police vehicle.

Sec. 21. Minnesota Statutes 2016, section 169.92, subdivision 4, is amended to read:

Subd. 4. **Suspension of driver's license.** (a) Upon receiving a report from the court, or from the driver licensing authority of a state, district, territory, or possession of the United States or a province of a foreign country which has an agreement in effect with this state pursuant to section 169.91, that a resident of this state or a person licensed as a driver in this state did not appear in court in compliance with the terms of a citation, the commissioner of public safety shall notify the driver that the driver's license will be suspended unless the commissioner receives notice within 30 days that the driver has appeared in the appropriate court ~~or, if the offense is a petty misdemeanor for which a guilty plea was entered under section 609.491, that the person has paid any fine imposed by the court.~~ If the commissioner does not receive notice of the appearance in the appropriate court ~~or payment of the fine~~ within 30 days of the date of the commissioner's notice to the driver, the commissioner may suspend the driver's license, subject to the notice requirements of section 171.18, subdivision 2. Notwithstanding the requirements in this section, the commissioner is prohibited from suspending the driver's license of a person based solely on the fact that the person did not appear in court in compliance with the terms of a citation for a petty misdemeanor or for a violation of section 171.24, subdivision 1.

(b) The order of suspension shall indicate the reason for the order and shall notify the driver that the driver's license shall remain suspended until the driver has furnished evidence, satisfactory to the commissioner, of compliance with any order entered by the court.

(c) Suspension shall be ordered under this subdivision only when the report clearly identifies the person arrested; describes the violation, specifying the section of the traffic law, ordinance or rule violated; indicates the location and date of the offense; and describes the vehicle involved and its registration number.

Sec. 22. Minnesota Statutes 2016, section 171.041, is amended to read:

171.041 RESTRICTED LICENSE FOR FARM WORK.

(a) Notwithstanding any provisions of section 171.04 relating to the age of an applicant to the contrary, the commissioner may issue a restricted farm work license to operate a motor vehicle to a person who has attained the age of 15 years and who, except for age, is qualified to hold a driver's license. The applicant is not required to

comply with the six-month instruction permit possession provisions of sections 171.04, subdivision 1, clause (2), and 171.05, subdivision 2a, or with the 12-month provisional license possession provision of section 171.04, subdivision 1, clause (1), item (i).

(b) The restricted license ~~shall~~ must be issued solely for the purpose of authorizing the person to whom the restricted license is issued to assist the person's parents or guardians with farm work. Any entity authorized to farm under section 500.24 may perform farm work under the restricted license. A person holding this restricted license may operate a motor vehicle only during daylight hours and only within a radius of ~~20~~ 40 miles of the parent's or guardian's farmhouse; however, in no case may a person holding the restricted license operate a motor vehicle in a city of the first class.

(c) An applicant for a restricted license shall apply to the commissioner for the license on forms prescribed by the commissioner. The application ~~shall~~ must be accompanied by:

(1) a copy of a property tax statement showing that the applicant's parent or guardian owns land that is classified as agricultural land or a copy of a rental statement or agreement showing that the applicant's parent or guardian rents land classified as agricultural land; and

(2) a written verified statement by the applicant's parent or guardian setting forth the necessity for the license.

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

Sec. 23. Minnesota Statutes 2016, section 171.16, subdivision 2, is amended to read:

Subd. 2. **Commissioner shall suspend.** (a) The court may recommend the suspension of the driver's license of the person so convicted, and the commissioner shall suspend such license as recommended by the court, without a hearing ~~as provided herein.~~

(b) The commissioner is prohibited from suspending a person's driver's license if the person was convicted only under section 171.24, subdivision 1 or 2.

Sec. 24. Minnesota Statutes 2016, section 171.16, subdivision 3, is amended to read:

Subd. 3. ~~**Suspension for Failure to pay fine.** When any court reports to~~ The commissioner must not suspend a person's driver's license based solely on the fact that a person: (1) has been convicted of violating a law of this state or an ordinance of a political subdivision which regulates the operation or parking of motor vehicles, (2) has been sentenced to the payment of a fine or had a surcharge levied against that person, or sentenced to a fine upon which a surcharge was levied, and (3) has refused or failed to comply with that sentence or to pay the surcharge; ~~notwithstanding the fact that the court has determined that the person has the ability to pay the fine or surcharge, the commissioner shall suspend the driver's license of such person for 30 days for a refusal or failure to pay or until notified by the court that the fine or surcharge, or both if a fine and surcharge were not paid, has been paid.~~

Sec. 25. Minnesota Statutes 2016, section 171.18, subdivision 1, is amended to read:

Subdivision 1. **Offenses.** (a) The commissioner may suspend the license of a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

(1) has committed an offense for which mandatory revocation of license is required upon conviction;

(2) has been convicted by a court for violating a provision of chapter 169 or an ordinance regulating traffic, other than a conviction for a petty misdemeanor, and department records show that the violation contributed in causing an accident resulting in the death or personal injury of another, or serious property damage;

(3) is an habitually reckless or negligent driver of a motor vehicle;

(4) is an habitual violator of the traffic laws;

(5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;

(6) has permitted an unlawful or fraudulent use of the license;

(7) has committed an offense in another state that, if committed in this state, would be grounds for suspension;

(8) has committed a violation of section 169.444, subdivision 2, paragraph (a), within five years of a prior conviction under that section;

(9) has committed a violation of section 171.22, except that the commissioner may not suspend a person's driver's license based solely on the fact that the person possessed a fictitious or fraudulently altered Minnesota identification card;

(10) has failed to appear in court as provided in section 169.92, subdivision 4;

(11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges;

(12) has been found to have committed an offense under section 169A.33; or

(13) has paid or attempted to pay a fee required under this chapter for a license or permit by means of a dishonored check issued to the state or a driver's license agent, which must be continued until the registrar determines or is informed by the agent that the dishonored check has been paid in full.

However, an action taken by the commissioner under clause (2) or (5) must conform to the recommendation of the court when made in connection with the prosecution of the licensee.

(b) The commissioner ~~may not suspend~~ is prohibited from suspending the driver's license of an individual under paragraph (a) who was convicted of a violation of section 171.24, subdivision 1, ~~whose license was under suspension at the time solely because of the individual's failure to appear in court or failure to pay a fine or 2.~~

Sec. 26. Minnesota Statutes 2016, section 174.03, is amended by adding a subdivision to read:

Subd. 12. Trunk highway performance implementation plan. (a) The commissioner must develop and implement a performance implementation plan for the trunk highway system to improve the condition of the existing infrastructure and enhance the efficiency and effectiveness of the transportation system. The plan must include strategies to achieve the state transportation goals for the trunk highway system established in section 174.01, comply with all other applicable state and federal law, and include all transportation modes and all infrastructure assets within trunk highway rights-of-way.

(b) At a minimum, the plan must include:

(1) an inventory of assets, including but not limited to bridge, pavement, geotechnical, pedestrian, bicycle, and transit assets;

(2) predictive and consequential performance measures and annual performance targets for each asset type, identified in collaboration with the public and to be achieved by each district of the department;

(3) gap identification and an explanation of the difference between performance targets and current status;

(4) life cycle and risk assessments for programs in each district of the department; and

(5) an annual investment plan for each district of the department based on funding expected during the next ten years.

(c) Annually by December 15, the commissioner must submit the trunk highway performance implementation plan, including information detailing the department's progress on implementing the plan, to the chairs and ranking minority members of the legislative committees having jurisdiction over transportation policy and finance. The plan must be signed by a professional engineer licensed in Minnesota.

EFFECTIVE DATE. This section is effective July 1, 2018. The initial performance implementation plan under this section is due December 15, 2019.

Sec. 27. Minnesota Statutes 2017 Supplement, section 174.38, subdivision 5, is amended to read:

Subd. 5. **Eligibility.** Eligible recipients of financial assistance under this section are:

(1) a political subdivision; ~~and~~

(2) a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, as amended; and

(3) the state.

Sec. 28. Minnesota Statutes 2016, section 174.66, is amended to read:

174.66 CONTINUATION OF CARRIER RULES.

(a) Orders and directives in force, issued, or promulgated under authority of chapters 174A, 216A, 218, 219, 221, and 222 remain and continue in force and effect until repealed, modified, or superseded by duly authorized orders or directives of the commissioner of transportation. To the extent allowed under federal law or regulation, rules adopted under authority of the following sections are transferred to the commissioner of transportation and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the commissioner:

(1) section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;

(2) section 219.40;

(3) rules relating to rates or tariffs, or the granting, limiting, or modifying of permits under section 221.031, subdivision 1; and

(4) ~~rules relating to rates, charges, and practices under section 221.161, subdivision 4; and~~

~~(5) rules relating to rates, tariffs, or the granting, limiting, or modifying of permits under section 221.121.~~

(b) The commissioner shall review the transferred rules, orders, and directives and, when appropriate, develop and adopt new rules, orders, or directives.

Sec. 29. Minnesota Statutes 2016, section 221.036, subdivision 1, is amended to read:

Subdivision 1. **Order.** The commissioner may issue an order requiring violations to be corrected and administratively assessing monetary penalties for a violation of (1) section 221.021; (2) section 221.033, subdivision 2b; (3) section 221.171; (4) section 221.141; (5) a federal, state, or local law, regulation, rule, or ordinance pertaining to railroad-highway grade crossings; or (6) rules of the commissioner relating to the transportation of hazardous waste, motor carrier operations, or insurance, ~~or tariffs and accounting~~. An order must be issued as provided in this section.

Sec. 30. Minnesota Statutes 2016, section 221.036, subdivision 3, is amended to read:

Subd. 3. **Amount of penalty; considerations.** (a) The commissioner may issue an order assessing a penalty of up to \$5,000 for all violations identified during a single audit or investigation of (1) section 221.021; 221.141; or 221.171, or (2) rules of the commissioner relating to motor carrier operations, or insurance, ~~or tariffs and accounting, identified during a single inspection, audit, or investigation.~~

(b) The commissioner may issue an order assessing a penalty up to a maximum of \$10,000 for all violations of section 221.033, subdivision 2b, identified during a single inspection or audit.

(c) In determining the amount of a penalty, the commissioner shall consider:

(1) the willfulness of the violation;

(2) the gravity of the violation, including damage to humans, animals, air, water, land, or other natural resources of the state;

(3) the history of past violations, including the similarity of the most recent violation and the violation to be penalized, the time elapsed since the last violation, the number of previous violations, and the response of the person to the most recent violation identified;

(4) the economic benefit gained by the person by allowing or committing the violation; and

(5) other factors as justice may require, if the commissioner specifically identifies the additional factors in the commissioner's order.

(d) The commissioner shall assess a penalty in accordance with Code of Federal Regulations, title 49, section 383.53, against:

(1) a driver who is convicted of a violation of an out-of-service order;

(2) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of an out-of-service order; or

(3) an employer who knowingly allows or requires an employee to operate a commercial motor vehicle in violation of a federal, state, or local law or regulation pertaining to railroad-highway grade crossings.

Sec. 31. Minnesota Statutes 2016, section 221.122, subdivision 1, is amended to read:

Subdivision 1. **Registration, insurance, and filing requirements.** (a) An order issued by the commissioner which grants a certificate or permit must contain a service date.

(b) The person to whom the order granting the certificate or permit is issued shall do the following within 45 days from the service date of the order:

(1) register vehicles which will be used to provide transportation under the permit or certificate with the commissioner and pay the vehicle registration fees required by law; and

(2) file and maintain insurance or bond as required by section 221.141 and rules of the commissioner; ~~and,~~

(3) ~~file rates and tariffs as required by section 221.161 and rules of the commissioner.~~

Sec. 32. Minnesota Statutes 2016, section 221.161, subdivision 1, is amended to read:

Subdivision 1. ~~Filing; hearing upon commissioner initiative~~ **Tariff maintenance and contents.** A household goods carrier ~~shall file and mover must maintain with the commissioner~~ a tariff showing rates and charges for transporting household goods. ~~Tariffs must be prepared and filed in accordance with the rules of the commissioner. When tariffs are filed in accordance with the rules and accepted by the commissioner, the filing constitutes notice to the public and interested parties of the contents of the tariffs. The commissioner shall not accept for filing tariffs that are unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section. If the tariffs appear to be unjust, unreasonable, unjustly discriminatory, unduly preferential or prejudicial, or otherwise in violation of this section or rules adopted under this section, after notification and investigation by the department, the commissioner may suspend and postpone the effective date of the tariffs and assign the tariffs for hearing upon notice to the household goods carrier filing the proposed tariffs and to other interested parties, including users of the service and competitive carriers by motor vehicle and rail. At the hearing, the burden of proof is on the household goods carrier filing the proposed tariff to sustain the validity of the proposed schedule of rates and charges. The tariffs and subsequent supplements to them or reissues of them must state the effective date, which may not be less than ten days following the date of filing, unless the period of time is reduced by special permission of the commissioner. A household goods mover must prepare a tariff under this section in accordance with Code of Federal Regulations, title 49, part 1310.3, which is incorporated by reference.~~

Sec. 33. Minnesota Statutes 2016, section 221.161, is amended by adding a subdivision to read:

Subd. 5. **Tariff availability.** (a) A household goods mover subject to this section must maintain all of its effective tariffs at its principal place of business and at each of its terminal locations, and must make the tariffs available to the public for inspection at all times the household goods mover is open for business. Any publication referred to in a tariff must be maintained with that tariff.

(b) Upon request, a household goods mover must provide copies of tariffs, specific tariff provisions, or tariff subscriptions to the commissioner or any interested person.

Sec. 34. Minnesota Statutes 2016, section 221.171, subdivision 1, is amended to read:

Subdivision 1. **Compensation fixed by schedule on file.** ~~No~~ A household goods carrier shall mover must not charge or receive a greater, lesser, or different compensation for the transportation of persons or property or for related service; provided than the rates and charges named in the carrier's schedule on file and in effect with the commissioner including any rate fixed by the commissioner specified in the tariff under section 221.161; ~~nor shall,~~

A household goods ~~carrier mover~~ must not refund or remit in any manner or by any device, directly or indirectly, the rates and charges required to be collected by the ~~carrier mover~~ under the ~~carrier's mover's~~ schedules ~~or under the rates, if any, fixed by the commissioner.~~

Sec. 35. Minnesota Statutes 2016, section 473.13, subdivision 1, is amended to read:

Subdivision 1. **Budget.** (a) Except as provided in paragraph (b), on or before December 20 of each year, the council shall adopt a final budget covering its anticipated receipts and disbursements for the ensuing year and shall decide upon the total amount necessary to be raised from ad valorem tax levies to meet its budget. The budget shall must state in detail the expenditures for each program to be undertaken, including the expenses for salaries, consultant services, overhead, travel, printing, and other items. The budget shall must state in detail the council's nontransportation capital expenditures of the council for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature. After adoption of the budget and no later than five working days after December 20, the council shall certify to the auditor of each metropolitan county the share of the tax to be levied within that county, which must be an amount bearing the same proportion to the total levy agreed on by the council as the net tax capacity of the county bears to the net tax capacity of the metropolitan area. The maximum amount of any levy made for the purpose of this chapter may not exceed the limits set by the statute authorizing the levy.

(b) For the transportation components of the council's budgeting, each fiscal year starts July 1 and ends the following June 30. On or before June 15 of each year, the council must adopt a final budget for the transportation components that identifies its anticipated receipts and disbursements for the next fiscal year. The budget must state in detail the expenditures to be undertaken for each program, including the expenses for salaries, consultant services, overhead, travel, and other items. The budget must state in detail the council's transportation capital expenditures for the budget year, based on a five-year capital program adopted by the council and transmitted to the legislature.

~~(b)~~ (c) As part of the budget under paragraph (b) in each even-numbered year, the council shall must prepare for its transit programs a financial plan for the succeeding three calendar years, in half-year segments. The financial plan must contain schedules of user charges and any changes in user charges planned or anticipated by the council during the period of the plan. The financial plan must contain a proposed request for state financial assistance for the succeeding biennium.

~~(e)~~ (d) In addition, the each budget under paragraphs (a) and (b) must show for each year:

(1) the estimated operating revenues from all sources including funds on hand at the beginning of the year, and estimated expenditures for costs of operation, administration, maintenance, and debt service;

(2) capital improvement funds estimated to be on hand at the beginning of the year and estimated to be received during the year from all sources and estimated cost of capital improvements to be paid out or expended during the year, all in such detail and form as the council may prescribe; and

(3) the estimated source and use of pass-through funds.

EFFECTIVE DATE; APPLICATION. This section is effective beginning with the transportation budget period under paragraph (b) that starts July 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 36. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 1d. **Budget amendments.** In conjunction with the adoption of any amendment to a budget under subdivision 1, the council must submit a summary of the budget changes and a copy of the amended budget to the members and staff of the legislative committees with jurisdiction over transportation policy and finance and to the Legislative Commission on Metropolitan Government.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 37. Minnesota Statutes 2016, section 473.13, subdivision 4, is amended to read:

Subd. 4. **Accounts; accounting system; controls; audits.** (a) The council shall keep an accurate account of its receipts and disbursements. For the transportation components of the council's financial activity, the council must use the state accounting system maintained by the commissioner of management and budget under sections 16A.14 and 16A.15.

(b) Disbursements of council money must be made by check or by electronic funds transfer, signed or authorized by the chair or vice-chair of the council, and countersigned or authorized by its regional administrator or designee after whatever auditing and approval of the expenditure may be required by the council.

(c) The state auditor shall audit the books and accounts of the council once each year, or as often as funds and personnel of the state auditor permit. The council shall pay to the state the total cost and expenses of the examination, including the salaries paid to the auditors while actually engaged in making the examination. The general fund must be credited with all collections made for any examination.

EFFECTIVE DATE; APPLICATION. This section is effective July 1, 2019, for the transportation budget period that starts on that date and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 38. Minnesota Statutes 2016, section 473.13, is amended by adding a subdivision to read:

Subd. 6. **Overview of revenues and expenditures; forecast.** (a) In cooperation with the Department of Management and Budget and as required by section 16A.103, the council must prepare in February and November of each year a financial overview and forecast of revenues and expenditures for the transportation components of the council's budget.

(b) At a minimum, the financial overview and forecast must identify:

(1) actual revenues, expenditures, transfers, reserves, and balances for each of the previous four budget years;

(2) budgeted and forecasted revenues, expenditures, transfers, reserves, and balances for each year within the state forecast period; and

(3) a comparison of the information under clause (2) to the prior forecast, including any changes made.

(c) The information under paragraph (b), clauses (1) and (2), must include:

(1) a breakdown for each transportation operating budget category established by the council, including but not limited to bus, light rail transit, commuter rail, planning, special transportation service under section 473.386, and assistance to replacement service providers under section 473.388;

(2) data for both transportation operating and capital expenditures; and

(3) fund balances for each replacement service provider under section 473.388.

(d) The financial overview and forecast must summarize reserve policies, identify the methodology for cost allocation, and review revenue assumptions and variables affecting the assumptions.

(e) The council must review the financial overview and forecast information with the chairs, ranking minority members, and staff of the legislative committees with jurisdiction over finance, ways and means, and transportation finance no later than two weeks following the release of the forecast.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 39. Minnesota Statutes 2016, section 473.146, subdivision 1, is amended to read:

Subdivision 1. **Requirement.** The council ~~shall~~ must adopt a long-range comprehensive policy ~~plan~~ plans for transportation and wastewater treatment. ~~The plans~~ Each policy plan must substantially conform to all policy statements, purposes, goals, standards, and maps in the development guide developed and adopted by the council under section 473.145 and this chapter. Each policy plan must include, to the extent appropriate to the functions, services, and systems covered, the following:

(1) forecasts of changes in the general levels and distribution of population, households, employment, land uses, and other relevant matters, for the metropolitan area and appropriate subareas;

(2) a statement of issues, problems, needs, and opportunities with respect to the functions, services, and systems covered;

(3) a statement of the council's goals, objectives, and priorities with respect to the functions, services, and systems covered, addressing areas and populations to be served, the levels, distribution, and staging of services; a general description of the facility systems required to support the services; the estimated cost of improvements required to achieve the council's goals for the regional systems, including an analysis of what portion of the funding for each improvement is proposed to come from the state, Metropolitan Council levies, and cities, counties, and towns in the metropolitan area, respectively, and other similar matters;

(4) a statement of policies to effectuate the council's goals, objectives, and priorities;

(5) a statement of the fiscal implications of the council's plan, including a statement of: (i) the resources available under existing fiscal policy; (ii) the adequacy of resources under existing fiscal policy and any shortfalls and unattended needs; (iii) additional resources, if any, that are or may be required to effectuate the council's goals, objectives, and priorities; and (iv) any changes in existing fiscal policy, on regional revenues and intergovernmental aids respectively, that are expected or that the council has recommended or may recommend;

(6) a statement of the relationship of the policy plan to other policy plans and ~~chapters~~ relevant portions of the ~~Metropolitan~~ development guide;

(7) a statement of the relationships to local comprehensive plans prepared under sections 473.851 to 473.871; and

(8) additional general information as may be necessary to develop the policy plan or as may be required by the laws relating to the metropolitan agency and function covered by the policy plan.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 40. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

Subd. 3. ~~Development guide: Transportation chapter~~ **policy plan.** (a) The transportation ~~chapter~~ policy plan must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies, and goals set forth in section 473.371.

(b) In addition to the requirements regarding the contents of the policy plan under subdivision 1, the plan must include:

(1) a fully constrained scenario that assumes no revenue increase from current law and no inflationary increases;

(2) a partially constrained scenario that assumes no revenue increase from current law but includes reasonable inflationary increases; and

(3) an envisioned revenue scenario that identifies a revenue increase in an amount that accommodates transportation system maintenance, improvements, and expansion, including for state and local roads, regular route bus service, busways, and guideways.

(c) The estimates under each scenario in paragraph (b) must identify anticipated long-term transit system impacts, including unfunded costs for each transit mode and any reductions in regular route bus service hours.

(d) In addition to the requirements of subdivision 1 regarding the contents of the policy plan, the nontransit element portion of the ~~transportation chapter~~ plan must include the following:

(1) a statement of the needs and problems of the metropolitan area with respect to the functions covered, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2) the objectives of and the policies to be forwarded by the policy plan;

(3) a general description of the physical facilities and services to be developed;

(4) a statement as to the general location of physical facilities and service areas;

(5) a general statement of timing and priorities in the development of those physical facilities and service areas;

(6) a detailed statement, updated every two years, of timing and priorities for improvements and expenditures needed on the metropolitan highway system;

(7) a general statement on the level of public expenditure appropriate to the facilities; and

(8) a long-range assessment of air transportation trends and factors that may affect airport development in the metropolitan area and policies and strategies that will ensure a comprehensive, coordinated, and timely investigation and evaluation of alternatives for airport development.

(e) The council shall develop the nontransit element portion in consultation with the transportation advisory board and the Metropolitan Airports Commission and cities having an airport located within or adjacent to its corporate boundaries. The council shall also take into consideration the airport development and operations plans and activities of the commission. The council shall transmit the results to the state Department of Transportation.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment, applies for the next regular update to the transportation policy plan, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 41. Minnesota Statutes 2016, section 473.375, is amended by adding a subdivision to read:

Subd. 19. Expenditure of funds for capital costs. (a) The council is prohibited from expending funds for transit capital costs, including capital maintenance, from the following sources:

(1) state appropriations from the general fund; and

(2) operating budget reserves.

(b) The expenditure prohibition under this subdivision does not apply to federal funds.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for appropriations and reserves encumbered on or after that date and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 42. Minnesota Statutes 2016, section 473.3994, subdivision 9, is amended to read:

Subd. 9. **Light rail transit operating costs.** (a) Before submitting an application for federal assistance for light rail transit facilities in the metropolitan area, the Metropolitan Council must prepare an estimate of the amount of operating subsidy which will be required to operate light rail transit in the corridor to which the federal assistance would be applied. The estimate must indicate the amount of operating subsidy estimated to be required in each of the first ten years of operation of the light rail transit facility. If the commissioner of transportation is the responsible authority, the commissioner must provide information requested by the council that is necessary to make the estimate.

(b) The council must review and evaluate the estimate developed under paragraph (a) with regard to the effect of operating the light rail transit facility on the currently available mechanisms for financing transit in the metropolitan area.

(c) For purposes of this subdivision, operating costs consist of the costs associated with light rail system daily operations and the maintenance costs associated with keeping light rail services and facilities operating. Operating costs do not include costs incurred to construct new buildings or facilities, purchase new vehicles, or make technology improvements.

Sec. 43. Minnesota Statutes 2016, section 473.3994, is amended by adding a subdivision to read:

Subd. 15. Rail colocation prohibition. The responsible authority is prohibited from constructing a light rail transit line or extension in a shared use rail corridor for freight rail and light rail transit.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment. The portion of this section applicable to the Metropolitan Council applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 44. Minnesota Statutes 2016, section 473.4051, subdivision 3, is amended to read:

Subd. 3. **Capital costs.** State money ~~may~~ must not be used ~~to pay more than ten percent of~~ for the total capital cost of a light rail transit project.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment for appropriations encumbered on or after that date and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 45. TEMPORARY MOTOR VEHICLE PERMITS.

(a) Notwithstanding Minnesota Statutes, sections 168.09, subdivision 7; 168.091, subdivision 1; and 168.092, subdivision 1, a temporary permit under any of those sections may be issued for a period of up to 180 days, in consultation with the commissioner of public safety.

(b) A temporary permit may only be issued under this section due to inability of the driver and vehicle information system to complete a motor vehicle transaction in a timely manner.

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

Sec. 46. RETROACTIVE LICENSE REINSTATEMENT.

(a) The commissioner of public safety must make an individual's driver's license eligible for reinstatement if the license is solely suspended pursuant to:

(1) Minnesota Statutes 2016, section 171.16, subdivision 2, if the person was convicted only under Minnesota Statutes, section 171.24, subdivision 1 or 2;

(2) Minnesota Statutes 2016, section 171.16, subdivision 3; or

(3) both clauses (1) and (2).

(b) By December 1, 2018, the commissioner must provide written notice to individuals whose license has been made eligible for reinstatement under paragraph (a), addressed to the licensee at the licensee's last known address.

(c) Before the license is reinstated, an individual whose driver's license is eligible for reinstatement under paragraph (a) must pay the reinstatement fee under Minnesota Statutes, section 171.20, subdivision 4.

(d) The following applies to an individual who is eligible for reinstatement under paragraph (a), clause (1), (2), or (3), and whose license was suspended, revoked, or canceled under any other provision in Minnesota Statutes:

(1) the suspension, revocation, or cancellation under any other provision in Minnesota Statutes remains in effect;

(2) subject to clause (1), the individual may become eligible for reinstatement under paragraph (a), clause (1), (2), or (3); and

(3) the commissioner is not required to send the notice described in paragraph (b).

(e) Paragraph (a) applies notwithstanding Minnesota Statutes 2016, sections 169.92, subdivision 4; 171.16, subdivision 2 or 3; or any other law to the contrary.

Sec. 47. CONGESTION REDUCTION PRIORITIZATION.

(a) By September 30, 2019, the commissioner of transportation must adopt a revised 20-year statewide highway investment plan under Minnesota Statutes, section 174.03, subdivision 1c, that:

(1) establishes mobility in the Department of Transportation's metropolitan district as a high-priority investment category;

(2) allocates sufficient funds to achieve an appreciable reduction in congestion compared to anticipated congestion levels under the most recent statewide highway investment plan; and

(3) prioritizes general purpose lanes or dynamic shoulder lanes over lanes for which a user fee is imposed.

(b) The commissioner must revise the statewide multimodal transportation plan under Minnesota Statutes, section 174.03, subdivision 1a, or other plans as necessary to conform with the requirements under paragraph (a).

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

Sec. 48. **NORTHSTAR COMMUTER RAIL OPERATING COSTS; EXCEPTION.**

Minnesota Statutes, section 398A.10, subdivision 2, does not apply to the Anoka County Regional Railroad Authority with respect to the use of funds to pay operating and maintenance costs of Northstar Commuter Rail.

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

Sec. 49. **NONFIXED GUIDEWAY TRANSIT SYSTEM DEVELOPMENT IMPLEMENTATION PLAN.**

Subdivision 1. **Implementation plan required.** (a) By August 1, 2020, the Metropolitan Council must adopt an implementation plan for nonfixed guideway transit system development in the metropolitan area that meets the requirements of this section.

(b) In developing the implementation plan, the Metropolitan Council must review and evaluate peer transit systems in other states.

(c) Upon adoption, the council must submit a copy of the implementation plan to the members and staff of the legislative committees with jurisdiction over transportation policy and finance.

Subd. 2. **Implementation plan contents.** At a minimum, the implementation plan must:

(1) establish a comprehensive system design for transit enhancement, expansion, cost-effectiveness, and performance;

(2) propose an implementation schedule or timeline;

(3) incorporate goals and objectives from the transportation policy plan under Minnesota Statutes, section 473.146, with priority given to:

(i) increasing transit ridership at a rate or to a level specified in the plan;

(ii) improving accessibility and mobility for transit-dependent and historically underserved or under-represented populations;

(iii) improving customer experience through improvements in transit service, travel time, facilities, services, and amenities;

(iv) congestion relief; and

(v) safety;

(4) identify corridors and preliminary routing for expansion of:

(i) arterial bus rapid transit;

(ii) highway bus rapid transit; and

(iii) express bus service;

(5) address transit facility modernization, capital expansion, and ongoing system operations and maintenance;

(6) identify technology solutions that improve transit passenger services and reduce operating costs, including but not limited to real-time schedule information, increased and improved bus shelters and stations, low-floor buses, fare payment system improvements, traffic management techniques to reduce travel time, and fleet management system improvements;

(7) contain no light rail transit, commuter rail, or streetcar project development or construction, except as provided in clause (9);

(8) provide financial information, which must:

(i) identify estimated revenue, estimated expenditures, the amount of any additional revenue necessary to implement the plan, and a funding strategy or proposal for any identified revenue gap;

(ii) detail revenue sources;

(iii) detail operating and capital expenditures; and

(iv) summarize financial data for each corridor identified under clause (4), including estimated capital costs and annual operations and maintenance costs based on the available level of detail; and

(9) compare for each existing light rail transit line and all light rail transit lines in project development prior to the effective date of this section the annual and total revenue and expenditures, including operating, capital, and capital maintenance, in (i) the implementation plan, with (ii) the current transportation policy plan.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 50. **REVISOR INSTRUCTION.**

The revisor of statutes shall renumber Minnesota Statutes, section 160.02, subdivision 27a, as Minnesota Statutes, section 169.011, subdivision 73a. The revisor shall correct any cross-references made necessary by this renumbering.

Sec. 51. **REPEALER.**

Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, and 4, are repealed.

ARTICLE 2 METROPOLITAN COUNCIL GOVERNANCE

Section 1. Minnesota Statutes 2016, section 3.8841, subdivision 9, is amended to read:

Subd. 9. **Powers; duties; Metropolitan Council appointments oversight.** The commission must monitor appointments to the Metropolitan Council and may make recommendations on appointments ~~to the nominating committee under section 473.123, subdivision 3, or~~ to the governor before the governor makes the appointments. The commission may also make recommendations to the senate before appointments are presented to the senate for its advice and consent.

Sec. 2. Minnesota Statutes 2017 Supplement, section 15A.0815, subdivision 3, is amended to read:

Subd. 3. **Group II salary limits.** The salary for a position listed in this subdivision shall not exceed 120 percent of the salary of the governor. This limit must be adjusted annually on January 1. The new limit must equal the limit for the prior year increased by the percentage increase, if any, in the Consumer Price Index for all urban consumers from October of the second prior year to October of the immediately prior year. The commissioner of management and budget must publish the limit on the department's Web site. This subdivision applies to the following positions:

Executive director of Gambling Control Board;

Commissioner of Iron Range resources and rehabilitation;

Commissioner, Bureau of Mediation Services;

Ombudsman for Mental Health and Developmental Disabilities;

~~Chair, Metropolitan Council;~~

School trust lands director;

Executive director of pari-mutuel racing; and

Commissioner, Public Utilities Commission.

EFFECTIVE DATE. This section is effective January 1, 2019.

Sec. 3. Minnesota Statutes 2016, section 473.123, is amended to read:

473.123 METROPOLITAN COUNCIL.

Subdivision 1. **Creation; membership.** (a) A Metropolitan Council with jurisdiction in the metropolitan area is established as a public corporation and political subdivision of the state. It shall be under the supervision and control of 17 29 members, all of whom shall be residents of the metropolitan area- and who shall be appointed as follows:

- (1) a county commissioner from each metropolitan county, appointed by the respective county boards;
- (2) a local elected official appointed from each Metropolitan Council district by the municipal committee for the council district established in subdivision 2b;
- (3) a local elected official that resides in Minneapolis, appointed by the mayor of Minneapolis;
- (4) a local elected official that resides in St. Paul, appointed by the mayor of St. Paul;
- (5) the commissioner of transportation or the commissioner's designee;

(6) one person to represent nonmotorized transportation, appointed by the commissioner of transportation;

(7) one person to represent freight transportation, appointed by the commissioner of transportation; and

(8) one person to represent public transit, appointed by the commissioner of transportation.

(b) The local elected offices identified in paragraph (a) are compatible with the office of a Metropolitan Council member.

(c) Notwithstanding any change to the definition of metropolitan area in section 473.121, subdivision 2, the jurisdiction of the Metropolitan Council is limited to the seven-county metropolitan area.

Subd. 2a. **Terms.** (a) Following each apportionment of council districts, as provided under subdivision 3a, council members must be appointed from newly drawn districts as provided in subdivision 3a. Each council member, other than the chair, must reside in the council district represented. Each council district must be represented by one member of the council. The terms of members end with the term of the governor, except that all terms expire on the effective date of the next apportionment. A member serves at the pleasure of the governor. The municipal committee for each council district shall appoint a local elected official who resides in the district to serve on the Metropolitan Council for a four-year term. The terms of members appointed by municipal committees are staggered as follows: members representing an odd-numbered district have terms ending the first Monday in January of the year ending in the numeral "1" and members representing an even-numbered district have terms ending the first Monday in January in the year ending in the numeral "3." Thereafter, the term of each member is four years, with terms ending the first Monday in January, except that all terms expire on the effective date of the next apportionment. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one municipal committee for the council district appoints a member from each of the newly drawn council districts district as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.

(b) The terms of members appointed by the mayors of Minneapolis and St. Paul are staggered as follows: the member representing Minneapolis shall have a term ending the first Monday in January of the year ending in the numeral "1," and the member representing St. Paul shall have a term ending the first Monday in January of the year ending in the numeral "3." Thereafter, the term of each member is four years, with terms ending the first Monday in January. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment.

(c) The terms of members appointed by county boards are staggered as follows: members representing the counties of Dakota, Ramsey, and Scott have terms ending the first Monday in January of the year ending in the numeral "1," and members representing the counties of Anoka, Carver, Hennepin, and Washington have terms ending the first Monday in January of the year ending in the numeral "3." Thereafter, the term for each member is four years. A member's position on the Metropolitan Council becomes vacant if the member ceases to be a local elected official or as provided in chapter 351, and any vacancy must be filled as soon as practicable for the unexpired term in the same manner as the initial appointment.

(d) An individual appointed by the commissioner of transportation under subdivision 1 serves at the pleasure of the appointing authority.

Subd. 2b. **Municipal committee in each council district.** The governing body of each home rule charter or statutory city and town in each Metropolitan Council district shall appoint a member to serve on a municipal committee for the council district. If a city or town is in more than one council district, the governing body must appoint a member to serve on each council district's municipal committee. A member appointed to a council district's municipal committee must reside in the council district. The municipal committee must meet at least quarterly to discuss issues relating to the Metropolitan Council. Municipal committee meetings are subject to the Minnesota Open Meeting Law, chapter 13D.

Subd. 3. **Membership; appointment; qualifications Compensation.** (a) Sixteen members must be appointed by the governor from districts defined by this section. Each council member must reside in the council district represented. Each council district must be represented by one member of the council. In addition to any compensation as a local elected official, the council shall pay each member of the council other than the chair or the commissioner of transportation, or the commissioner's designee, \$20,000 per year plus reimbursement of actual and necessary expenses as approved by the council. The commissioner of transportation or the commissioner's designee is not eligible for compensation under this subdivision but may be reimbursed for actual and necessary expenses.

(b) In addition to the notice required by section 15.0597, subdivision 4, notice of vacancies and expiration of terms must be published in newspapers of general circulation in the metropolitan area and the appropriate districts. The governing bodies of the statutory and home rule charter cities, counties, and towns having territory in the district for which a member is to be appointed must be notified in writing. The notices must describe the appointments process and invite participation and recommendations on the appointment. In addition to any compensation as a local elected official, the council shall pay the chair \$40,000 per year plus reimbursement of actual and necessary expenses as approved by the council.

(c) The governor shall create a nominating committee, composed of seven metropolitan citizens appointed by the governor, to nominate persons for appointment to the council from districts. Three of the committee members must be local elected officials. Following the submission of applications as provided under section 15.0597, subdivision 5, the nominating committee shall conduct public meetings, after appropriate notice, to accept statements from or on behalf of persons who have applied or been nominated for appointment and to allow consultation with and secure the advice of the public and local elected officials. The committee shall hold the meeting on each appointment in the district or in a reasonably convenient and accessible location in the part of the metropolitan area in which the district is located. The committee may consolidate meetings. Following the meetings, the committee shall submit to the governor a list of nominees for each appointment. The governor is not required to appoint from the list.

(d) Before making an appointment, the governor shall consult with all members of the legislature from the council district for which the member is to be appointed.

(e) Appointments to the council are subject to the advice and consent of the senate as provided in section 15.066.

(f) Members of the council must be appointed to reflect fairly the various demographic, political, and other interests in the metropolitan area and the districts.

(g) Members of the council must be persons knowledgeable about urban and metropolitan affairs.

(h) Any vacancy in the office of a council member shall immediately be filled for the unexpired term. In filling a vacancy, the governor may forgo the requirements of paragraph (c) if the governor has made appointments in full compliance with the requirements of this subdivision within the preceding 12 months.

Subd. 3a. Redistricting. The legislature shall redraw the boundaries of the council districts after each decennial federal census so that each district has substantially equal population. Redistricting is effective in the year ending in the numeral "3." Within 60 days after a redistricting plan takes effect, the ~~governor~~ municipal committees shall appoint members from the newly drawn districts to serve terms as provided under subdivision 2a.

Subd. 3e. **District boundaries.** Metropolitan Council plan MC2013-1A, on file with the Geographical Information Systems Office of the Legislative Coordinating Commission and published on its Web site on April 9, 2013, is adopted and constitutes the redistricting plan required by subdivision 3a. The boundaries of each Metropolitan Council district are as described in that plan.

Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The chair of the Metropolitan Council shall be ~~appointed~~ selected by the governor as the 17th voting member thereof by and with the advice and consent of the senate to serve at the pleasure of the governor to represent the metropolitan area at large. ~~Senate confirmation shall be as provided by section 15.066 and from among the members of the Metropolitan Council. The chair shall serve at the pleasure of the council.~~

The chair of the Metropolitan Council shall, if present, preside at meetings of the council, have the primary responsibility for meeting with local elected officials, serve as the principal legislative liaison, present to the governor and the legislature, after council approval, the council's plans for regional governance and operations, serve as the principal spokesperson of the council, and perform other duties assigned by the council or by law.

(b) The Metropolitan Council shall elect other officers as it deems necessary for the conduct of its affairs for a one-year term. A secretary and treasurer need not be members of the Metropolitan Council. Meeting times and places shall be fixed by the Metropolitan Council and special meetings may be called by a majority of the members of the Metropolitan Council or by the chair. The chair and each Metropolitan Council member shall be reimbursed for actual and necessary expenses.

(c) Each member of the council shall attend and participate in council meetings and meet regularly with local elected officials and legislative members from the council member's district. Each council member shall serve on at least one division committee for transportation, environment, or community development.

(d) In the performance of its duties the Metropolitan Council may adopt policies and procedures governing its operation, establish committees, and, when specifically authorized by law, make appointments to other governmental agencies and districts.

Subd. 8. **General counsel.** The council may appoint a general counsel to serve at the pleasure of the council.

Subd. 9. **Authority to vote; quorum; votes required for action.** (a) ~~The members appointed by the mayors, counties, and municipal committees may vote on all matters before the council. The commissioner of transportation or the commissioner's designee and the three members appointed by the commissioner may vote only on matters in which the council is acting as the metropolitan planning organization for the region as provided in section 473.146.~~

(b) A quorum is a majority of the members permitted to vote on a matter. If a quorum is present, the council may act on a majority vote of the members present, except:

(1) if a quorum is present, the council may adopt its levy only if at least 60 percent of the members present vote in favor of the levy; and

(2) if a quorum is present, the council may adopt a metropolitan system plan or plan amendment only if at least 60 percent of the members present vote in favor of its adoption.

EFFECTIVE DATE; TRANSITION; APPLICATION. (a) Except as provided in paragraph (b), this section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington. Metropolitan Council members serving on the effective date of this section shall continue to serve until members are appointed from districts by the municipal committees as provided in this section.

(b) Subdivisions 1, paragraph (c), and 2b are effective the day following final enactment.

Sec. 4. Minnesota Statutes 2016, section 473.146, subdivision 3, is amended to read:

Subd. 3. **Development guide: transportation.** The transportation chapter must include policies relating to all transportation forms and be designed to promote the legislative determinations, policies, and goals set forth in section 473.371. In addition to the requirements of subdivision 1 regarding the contents of the policy plan, the nontransit element of the transportation chapter must include the following:

(1) a statement of the needs and problems of the metropolitan area with respect to the functions covered, including the present and prospective demand for and constraints on access to regional business concentrations and other major activity centers and the constraints on and acceptable levels of development and vehicular trip generation at such centers;

(2) the objectives of and the policies to be forwarded by the policy plan;

(3) a general description of the physical facilities and services to be developed;

(4) a statement as to the general location of physical facilities and service areas;

(5) a general statement of timing and priorities in the development of those physical facilities and service areas;

(6) a detailed statement, updated every two years, of timing and priorities for improvements and expenditures needed on the metropolitan highway system;

(7) a general statement on the level of public expenditure appropriate to the facilities; and

(8) a long-range assessment of air transportation trends and factors that may affect airport development in the metropolitan area and policies and strategies that will ensure a comprehensive, coordinated, and timely investigation and evaluation of alternatives for airport development.

The council shall develop the nontransit element in consultation with ~~the transportation advisory board and the Metropolitan Airports Commission~~ and cities having an airport located within or adjacent to its corporate boundaries. The council shall also take into consideration the airport development and operations plans and activities of the commission. The council shall transmit the results to the state Department of Transportation.

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. Minnesota Statutes 2016, section 473.146, subdivision 4, is amended to read:

Subd. 4. **Transportation planning.** (a) The Metropolitan Council is the designated planning agency for any long-range comprehensive transportation planning required by section 134 of the Federal Highway Act of 1962, Section 4 of Urban Mass Transportation Act of 1964 and Section 112 of Federal Aid Highway Act of 1973 and other federal transportation laws. The council shall assure administration and coordination of transportation planning with appropriate state, regional and other agencies, counties, and municipalities.

~~(b) The council shall establish an advisory body consisting of citizens and representatives of municipalities, counties, and state agencies in fulfillment of the planning responsibilities of the council. The membership of the advisory body must consist of:~~

~~(1) the commissioner of transportation or the commissioner's designee;~~

- ~~(2) the commissioner of the Pollution Control Agency or the commissioner's designee;~~
 - ~~(3) one member of the Metropolitan Airports Commission appointed by the commission;~~
 - ~~(4) one person appointed by the council to represent nonmotorized transportation;~~
 - ~~(5) one person appointed by the commissioner of transportation to represent the freight transportation industry;~~
 - ~~(6) two persons appointed by the council to represent public transit;~~
 - ~~(7) ten elected officials of cities within the metropolitan area, including one representative from each first class city, appointed by the Association of Metropolitan Municipalities;~~
 - ~~(8) one member of the county board of each county in the seven county metropolitan area, appointed by the respective county boards;~~
 - ~~(9) eight citizens appointed by the council, one from each council precinct;~~
 - ~~(10) one elected official from a city participating in the replacement service program under section 473.388, appointed by the Suburban Transit Association; and~~
 - ~~(11) one member of the council, appointed by the council.~~
- ~~(e) The council shall appoint a chair from among the members of the advisory body.~~

EFFECTIVE DATE; APPLICATION. This section is effective January 1, 2019, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 6. **REPEALER.**

Laws 1994, chapter 628, article 1, section 8, is repealed.

EFFECTIVE DATE. This section is effective January 1, 2019."

Delete the title and insert:

"A bill for an act relating to transportation; governing various provisions relating to transportation policy and finance; amending governance related to the Metropolitan Council; amending Minnesota Statutes 2016, sections 3.8841, subdivision 9; 160.295, subdivision 5; 168A.151, subdivision 1; 169.011, subdivisions 5, 9, 60; 169.18, subdivision 3; 169.222, subdivisions 1, 4; 169.26, subdivision 1; 169.28; 169.29; 169.345, subdivision 2; 169.71, subdivision 4; 169.92, subdivision 4; 171.041; 171.16, subdivisions 2, 3; 171.18, subdivision 1; 174.03, by adding a subdivision; 174.66; 221.036, subdivisions 1, 3; 221.122, subdivision 1; 221.161, subdivision 1, by adding a subdivision; 221.171, subdivision 1; 473.123; 473.13, subdivisions 1, 4, by adding subdivisions; 473.146, subdivisions 1, 3, 4; 473.375, by adding a subdivision; 473.3994, subdivision 9, by adding a subdivision; 473.4051, subdivision 3; Minnesota Statutes 2017 Supplement, sections 3.972, subdivision 4; 15A.0815, subdivision 3; 160.02, subdivision 1a; 160.262, subdivisions 1, 3; 160.266, subdivisions 3, 5; 174.38, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 161; repealing Minnesota Statutes 2016, section 221.161, subdivisions 2, 3, 4; Laws 1994, chapter 628, article 1, section 8."

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3372, A bill for an act relating to higher education; modifying the process for electing members of the Board of Regents of the University of Minnesota; amending Minnesota Statutes 2016, sections 137.0245; 137.0246.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3375, A bill for an act relating to public safety; creating the Task Force on Missing and Murdered Indigenous Women; requiring an annual report on issues related to violence against indigenous women and girls; appropriating money for the Task Force on Missing and Murdered Indigenous Women; proposing coding for new law in Minnesota Statutes, chapter 299A.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety and Security Policy and Finance.

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3376, A bill for an act relating to state government; requiring the state auditor to adopt rules related to the review of certain audits conducted by CPA firms; amending Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2017 Supplement, section 6.481, subdivision 3, is amended to read:

Subd. 3. **CPA firm audit.** (a) A county audit performed by a CPA firm must meet the standards and be in a form meeting recognized industry auditing standards. The state auditor may require additional information from the CPA firm if the state auditor determines that is in the public interest, but the state auditor must accept the audit unless the state auditor determines the audit or its form does not meet recognized industry auditing standards. The state auditor may make additional examinations as the auditor determines to be in the public interest.

(b) When the state auditor requires additional information from the CPA firm or makes additional examinations that the state auditor determines to be in the public interest, the state auditor must afford counties and CPA firms an opportunity to respond to potential findings, conclusions, or questions, as follows:

(1) at least 30 days before beginning a review for work performed by a certified public accountant firm licensed in chapter 326A, the state auditor must notify the county and CPA firm that the state auditor will be conducting a review and must identify the type and scope of review the state auditor will perform;

(2) throughout the state auditor's review, the auditor shall allow the county and the CPA firm at least 30 days to respond to any request by the auditor for documents or other information;

(3) the state auditor must provide the CPA firm with a draft report of the state auditor's findings at least 30 days before issuing a final report;

(4) at least 20 days before issuing a final report, the state auditor must hold a formal exit conference with the CPA firm to discuss the findings in the state auditor's draft report;

(5) the state auditor shall make changes to the draft report that are warranted as a result of information provided by the CPA firm during the state auditor's review; and

(6) the state auditor's final report must include any written responses provided by the CPA firm."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "changing CPA firm audit provisions"

Page 1, line 3, delete everything before the semicolon

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3380, A bill for an act relating to civil law; amending the definitions of owner and rental agreement; allowing late fees and collection costs to be included in liens imposed by self-service storage facilities; clarifying property sale requirements for self-service storage facilities; amending Minnesota Statutes 2016, sections 514.971, subdivisions 3, 5; 514.972, subdivision 1, by adding a subdivision; 514.973, subdivision 4.

Reported the same back with the following amendments:

Page 2, line 4, delete "and collection costs"

Page 2, line 14, delete "a" and insert "one" and after "fee" insert "for each month"

Page 2, line 15, delete "\$20" and insert "\$15" and delete "20" and insert "15"

Page 2, line 17, delete everything after the period

Page 2, delete lines 18 and 19

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3384, A bill for an act relating to taxation; sales and use; providing an exemption for certain purchases of equipment for lawful gambling; amending Minnesota Statutes 2016, sections 297A.68, subdivision 29; 297A.70, by adding a subdivision; Minnesota Statutes 2017 Supplement, section 297E.02, subdivision 3.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3404, A bill for an act relating to human services; postponing the expiration date of the Traumatic Brain Injury Advisory Committee; amending Minnesota Statutes 2016, section 256B.093, subdivision 1.

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

The report was adopted.

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

H. F. No. 3423, A bill for an act relating to natural resources; modifying provisions for legal representation of department; providing for training and licensing of wildland firefighters; modifying provisions for approved firewood; amending Minnesota Statutes 2016, sections 88.10, by adding a subdivision; 88.75, subdivision 1; 89.551; Minnesota Statutes 2017 Supplement, section 84.01, subdivision 6.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3447, A bill for an act relating to state government; requiring certain information and telecommunications technology projects to be developed and completed by contract; requiring a legislative report before a project is deployed for live use; amending Minnesota Statutes 2016, sections 16E.01, subdivision 1a; 16E.0465; Minnesota Statutes 2017 Supplement, section 16E.0466, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2016, section 16A.11, subdivision 1, is amended to read:

Subdivision 1. **When.** The governor shall submit a three-part budget to the legislature. Parts one and two, the budget message and detailed operating budget, must be submitted by the fourth Tuesday in January in each odd-numbered year. However, in a year following the election of a governor who had not been governor the previous year, parts one and two must be submitted by the third Tuesday in February. Part three, the detailed recommendations as to capital expenditure, must be submitted as follows: agency capital budget requests by July 15

of each odd-numbered year, and governor's recommendations by January 15 of each even-numbered year. ~~Detailed recommendations as to information technology expenditure must be submitted as part of the detailed operating budget. Information technology recommendations must include projects to be funded during the next biennium and planning estimates for an additional two bienniums. Information technology recommendations must specify purposes of the funding such as infrastructure, hardware, software, or training.~~

Sec. 2. Minnesota Statutes 2016, section 16A.11, is amended by adding a subdivision to read:

Subd. 6a. Information technology and cyber security. (a) Detailed recommendations as to information and telecommunications technology systems and services expenditures must be submitted as part of the detailed operating budget. These recommendations must include projects to be funded during the next biennium and planning estimates for an additional two bienniums, and must specify purposes of the funding, such as infrastructure, hardware, software, or training. The detailed operating budget must also separately recommend expenditures for the maintenance and enhancement of cyber security for the state's information and telecommunications technology systems and services.

(b) The commissioner of management and budget, in consultation with the state chief information officer, shall establish budget guidelines for the recommendations required by this subdivision. Unless otherwise set by the commissioner at a higher amount, the amount to be budgeted each fiscal year for maintenance and enhancement of cyber security must be at least five percent of a department's or agency's total operating budget for information and telecommunications technology systems and services in that year.

(c) As used in this subdivision:

(1) "information and telecommunications technology systems and services" has the meaning given in section 16E.03, subdivision 1, paragraph (a); and

(2) "cyber security" has the meaning given in section 16E.03, subdivision 1, paragraph (d)."

Page 1, after line 23, insert:

"Sec. 4. Minnesota Statutes 2016, section 16E.03, subdivision 4, is amended to read:

Subd. 4. Evaluation procedure. The chief information officer shall establish and, as necessary, update and modify procedures to evaluate information and communications projects proposed by state agencies. The evaluation procedure must assess the necessity, design and plan for development, ability to meet user requirements, accessibility, feasibility, and flexibility of the proposed data processing device or system, its relationship to other state or local data processing devices or systems, and its costs and benefits when considered by itself and when compared with other options. The evaluation procedure must also include a process for consultation with affected local units of government, if implementation of the proposed project requires the participation of both a state agency and a local government.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to the evaluation procedure for information and telecommunications technology projects reviewed by the state chief information officer on or after January 1, 2019.

Sec. 5. Minnesota Statutes 2016, section 16E.03, subdivision 7, is amended to read:

Subd. 7. Cyber security systems. In consultation with the attorney general and appropriate agency heads, the chief information officer shall develop cyber security policies, guidelines, and standards, and shall install and administer state data security systems on the state's computer facilities consistent with these policies, guidelines,

standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data, consistent with the public's right to know as defined in chapter 13. The chief information officer is responsible for overall security of state agency networks connected to the Internet. Each department or agency head is responsible for the security of the department's or agency's data within the guidelines of established enterprise policy. Unless otherwise expressly provided by law, at least five percent of each department's or agency's expenditures in a fiscal year for information and telecommunications technology systems and services must be directed to the maintenance and enhancement of cyber security.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to expenditures in fiscal years beginning on or after that date.

Sec. 6. Minnesota Statutes 2016, section 16E.03, is amended by adding a subdivision to read:

Subd. 11. Systems impacting local government. An information and telecommunications technology project that includes the participation of both a state agency and a local unit of government may not be approved for full release or deployment until the project has been field tested by at least one local unit of government, and the results of the field test successfully demonstrate the integrity, security, and quality of the technology, and that the functionality and usability of the overall project meet the expectations described in the project's proposal. Standards for field testing that meet the requirements of this subdivision must be incorporated into the project's development plan before it may be approved by the chief information officer under subdivision 3.

EFFECTIVE DATE. This section is effective July 1, 2018, and applies to information and telecommunications technology projects approved by the state chief information officer on or after that date."

Page 3, line 24, delete "3" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "changing information technology and cyber security provisions;"

Correct the title numbers accordingly

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3463, A bill for an act relating to motor vehicles; modifying various provisions governing motor vehicle titling and registration; amending Minnesota Statutes 2016, sections 80E.13; 168.013, subdivision 6; 168.27, by adding subdivisions; 168.301, subdivision 3; 168.33, subdivision 8a; 168.346, subdivision 1; 168A.05, by adding a subdivision; 168A.12, subdivision 2; 168A.17, by adding a subdivision; Minnesota Statutes 2017 Supplement, section 168.013, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 168A.

Reported the same back with the following amendments:

Page 5, delete lines 30 to 32 and insert:

"(r) to implement a charge back or withhold payment to a dealer that is solely due to an unreasonable delay by the registrar, as defined in section 168.002, subdivision 29, in the transfer or registration of a new motor vehicle. The dealer must give the manufacturer notice of the state's delay in writing. Within 30 days of any notice of a charge back, withholding of payments, or denial of a claim, the dealer must transmit to the manufacturer (1) any requested documentation to demonstrate the vehicle sale and delivery as reported; and (2) a written attestation signed by the dealer operator or general manager stating that the delay is directly attributable to the state. This clause expires on June 30, 2020."

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 3472, A bill for an act relating to natural resources; modifying requirements for saltwater aquatic farms; amending Minnesota Statutes 2016, sections 17.494; 17.4982, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 3, line 5, after "36" insert "consecutive"

Page 3, line 7, delete everything after "Code"

Page 3, line 8, delete "Surveillance" and insert "for crustaceans or the AFS Fish Health Blue Book for other species, as appropriate"

Page 3, line 11, delete "that species" and insert "crustaceans or in the AFS Fish Health Blue Book for other species, as appropriate"

Page 3, line 14, after the period, insert "A shipment authorized by the commissioner under clause (2) must be quarantined at the receiving facility according to a quarantine plan approved by the commissioner."

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

The report was adopted.

Johnson, B., from the Committee on Public Safety and Security Policy and Finance to which was referred:

H. F. No. 3479, A bill for an act relating to public safety; modifying the schedules of controlled substances; amending Minnesota Statutes 2016, section 152.02, subdivision 5; Minnesota Statutes 2017 Supplement, section 152.02, subdivision 2.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"ARTICLE 1
CONTROLLED-SUBSTANCE RELATED CHANGES"

Page 3, line 25, after the semicolon, insert "and"

Page 3, delete lines 26 and 27

Page 3, line 28, delete "(61)" and insert "(59)"

Page 17, after line 23, insert:

"Sec. 3. Minnesota Statutes 2016, section 152.027, is amended by adding a subdivision to read:

Subd. 7. **Sale or possession of kratom.** (a) A person who unlawfully sells any amount of kratom or a substance that contains mitragynine or 7-hydroxymitragynine to a person under the age of 18 is guilty of a gross misdemeanor.

(b) A person under the age of 18 who unlawfully possesses any amount of kratom or a substance that contains mitragynine or 7-hydroxymitragynine is guilty of a misdemeanor.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date."

Page 17, after line 23, insert:

"ARTICLE 2
SUBSTANTIVE CHANGES TO DWI LAW; INTOXICATING SUBSTANCES"

Section 1. Minnesota Statutes 2016, section 169A.03, is amended by adding a subdivision to read:

Subd. 11a. **Intoxicating substance.** "Intoxicating substance" means a drug or chemical, as those terms are defined in section 151.01, that when introduced into the human body impairs the central nervous system or impairs the human audio, visual, or mental processes. The term does not include alcohol or controlled substances.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 169A.20, subdivision 1, is amended to read:

Subdivision 1. **Driving while impaired crime; motor vehicle.** It is a crime for any person to drive, operate, or be in physical control of any motor vehicle, as defined in section 169A.03, subdivision 15, except for motorboats in operation and off-road recreational vehicles, within this state or on any boundary water of this state when:

(1) the person is under the influence of alcohol;

(2) the person is under the influence of a controlled substance;

(3) the person is ~~knowingly~~ under the influence of a ~~hazardous~~ an intoxicating substance that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motor vehicle;

(4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3);

(5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motor vehicle is 0.08 or more;

(6) the vehicle is a commercial motor vehicle and the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the commercial motor vehicle is 0.04 or more; or

(7) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 3. **REPEALER.**

Minnesota Statutes 2016, section 169A.03, subdivision 9, is repealed.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

ARTICLE 3
CONFORMING CHANGES TO DWI-RELATED LAWS

Section 1. Minnesota Statutes 2016, section 97B.065, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** (a) A person may not take wild animals with a firearm or by archery:

- (1) when the person is under the influence of alcohol;
- (2) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;
- (3) when the person is under the influence of a combination of any two or more of the elements in clauses (1) and (2);
- (4) when the person's alcohol concentration is 0.08 or more;
- (5) when the person's alcohol concentration as measured within two hours of the time of taking is 0.08 or more; or

(6) when the person is ~~knowingly~~ under the influence of ~~any chemical compound or combination of chemical compounds that is listed as a hazardous~~ an intoxicating substance ~~in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to operate a firearm or bow and arrow as defined in section 169A.03, subdivision 11a.~~

(b) An owner or other person having charge or control of a firearm or bow may not authorize or permit an individual the person knows or has reason to believe is under the influence of alcohol or a controlled substance, as provided under paragraph (a), to possess the firearm or bow in this state or on a boundary water of this state.

(c) A person may not possess a loaded or uncased firearm or an uncased bow afield under any of the conditions in paragraph (a).

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2016, section 169A.20, subdivision 1a, is amended to read:

Subd. 1a. **Driving while impaired crime; motorboat in operation.** It is a crime for any person to operate or be in physical control of a motorboat in operation on any waters or boundary water of this state when:

(1) the person is under the influence of alcohol;

(2) the person is under the influence of a controlled substance;

(3) the person is ~~knowingly~~ under the influence of a ~~hazardous~~ an intoxicating substance ~~that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the motorboat;~~

(4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3);

(5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the motorboat is 0.08 or more; or

(6) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2016, section 169A.20, subdivision 1b, is amended to read:

Subd. 1b. **Driving while impaired crime; snowmobile and all-terrain vehicle.** It is a crime for any person to operate or be in physical control of a snowmobile as defined in section 84.81, subdivision 3, or all-terrain vehicle as defined in section 84.92, subdivision 8, anywhere in this state or on the ice of any boundary water of this state when:

(1) the person is under the influence of alcohol;

(2) the person is under the influence of a controlled substance;

(3) the person is ~~knowingly~~ under the influence of a ~~hazardous~~ an intoxicating substance ~~that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the snowmobile or all-terrain vehicle;~~

(4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3);

(5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the snowmobile or all-terrain vehicle is 0.08 or more; or

(6) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2016, section 169A.20, subdivision 1c, is amended to read:

Subd. 1c. **Driving while impaired crime; off-highway motorcycle and off-road vehicle.** It is a crime for any person to operate or be in physical control of any off-highway motorcycle as defined in section 84.787, subdivision 7, or any off-road vehicle as defined in section 84.797, subdivision 7, anywhere in this state or on the ice of any boundary water of this state when:

- (1) the person is under the influence of alcohol;
- (2) the person is under the influence of a controlled substance;
- (3) the person is ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance ~~that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to drive or operate the off-highway motorcycle or off-road vehicle;~~
- (4) the person is under the influence of a combination of any two or more of the elements named in clauses (1) to (3);
- (5) the person's alcohol concentration at the time, or as measured within two hours of the time, of driving, operating, or being in physical control of the off-highway motorcycle or off-road vehicle is 0.08 or more; or
- (6) the person's body contains any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2016, section 169A.45, subdivision 1, is amended to read:

Subdivision 1. **Alcohol concentration evidence.** Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for violating section 169A.20 (driving while impaired) or 169A.31 (alcohol-related school bus or Head Start bus driving), the court may admit evidence of the presence or amount of alcohol in the person's blood, breath, or urine as shown by an analysis of those items. In addition, in a prosecution for a violation of section 169A.20, the court may admit evidence of the presence or amount in the person's blood, breath, or urine, as shown by an analysis of those items, of:

- (1) a controlled substance or its metabolite; or
- (2) ~~a hazardous~~ an intoxicating substance.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2016, section 169A.51, subdivision 1, is amended to read:

Subdivision 1. **Implied consent; conditions; election of test.** (a) Any person who drives, operates, or is in physical control of a motor vehicle within this state or on any boundary water of this state consents, subject to the provisions of sections 169A.50 to 169A.53 (implied consent law), and section 169A.20 (driving while impaired), to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence of alcohol, a controlled substance or its metabolite, or ~~a hazardous~~ an intoxicating substance. The test must be administered at the direction of a peace officer.

(b) The test may be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a motor vehicle in violation of section 169A.20 (driving while impaired), and one of the following conditions exist:

- (1) the person has been lawfully placed under arrest for violation of section 169A.20 or an ordinance in conformity with it;
- (2) the person has been involved in a motor vehicle accident or collision resulting in property damage, personal injury, or death;

(3) the person has refused to take the screening test provided for by section 169A.41 (preliminary screening test); or

(4) the screening test was administered and indicated an alcohol concentration of 0.08 or more.

(c) The test may also be required of a person when an officer has probable cause to believe the person was driving, operating, or in physical control of a commercial motor vehicle with the presence of any alcohol.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2017 Supplement, section 169A.51, subdivision 4, is amended to read:

Subd. 4. **Requirement of urine or blood test.** A blood or urine test may be required pursuant to a search warrant under sections 626.04 to 626.18 even after a breath test has been administered if there is probable cause to believe that:

(1) there is impairment by a controlled substance or ~~a hazardous~~ an intoxicating substance that is not subject to testing by a breath test;

(2) a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body; or

(3) the person is unconscious or incapacitated to the point that the peace officer providing a breath test advisory, administering a breath test, or serving the search warrant has a good-faith belief that the person is mentally or physically unable to comprehend the breath test advisory or otherwise voluntarily submit to chemical tests.

Action may be taken against a person who refuses to take a blood test under this subdivision only if a urine test was offered and action may be taken against a person who refuses to take a urine test only if a blood test was offered. This limitation does not apply to an unconscious person under the circumstances described in clause (3).

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2016, section 169A.51, subdivision 7, is amended to read:

Subd. 7. **Requirements for conducting tests; liability.** (a) Only a physician, medical technician, emergency medical technician-paramedic, registered nurse, medical technologist, medical laboratory technician, phlebotomist, laboratory assistant, or other qualified person acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol, a controlled substance or its metabolite, or ~~a hazardous~~ an intoxicating substance. This limitation does not apply to the taking of a breath or urine sample.

(b) The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person does not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer.

(c) The physician, medical technician, emergency medical technician-paramedic, medical technologist, medical laboratory technician, laboratory assistant, phlebotomist, registered nurse, or other qualified person drawing blood at the request of a peace officer for the purpose of determining the concentration of alcohol, a controlled substance or its metabolite, or ~~a hazardous~~ an intoxicating substance is in no manner liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test must be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety.

(d) For purposes of this subdivision, "qualified person" means medical personnel trained in a licensed hospital or educational institution to withdraw blood.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2016, section 169A.52, subdivision 2, is amended to read:

Subd. 2. **Reporting test failure.** (a) If a person submits to a test, the results of that test must be reported to the commissioner and to the authority having responsibility for prosecution of impaired driving offenses for the jurisdiction in which the acts occurred, if the test results indicate:

(1) an alcohol concentration of 0.08 or more;

(2) an alcohol concentration of 0.04 or more, if the person was driving, operating, or in physical control of a commercial motor vehicle at the time of the violation; or

(3) the presence of a controlled substance listed in Schedule I or II or its metabolite, other than marijuana or tetrahydrocannabinols.

(b) If a person submits to a test and the test results indicate the presence of ~~a hazardous~~ an intoxicating substance, the results of that test must be reported to the authority having responsibility for prosecution of impaired driving offenses for the jurisdiction in which the acts occurred.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2016, section 169A.76, is amended to read:

169A.76 CIVIL ACTION; PUNITIVE DAMAGES.

(a) In a civil action involving a motor vehicle accident, it is sufficient for the trier of fact to consider an award of punitive damages if there is evidence that the accident was caused by a driver:

(1) with an alcohol concentration of 0.08 or more;

(2) who was under the influence of a controlled substance;

(3) who was under the influence of alcohol and refused to take a test required under section 169A.51 (chemical tests for intoxication); or

(4) who was ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance ~~that substantially affects the person's nervous system, brain, or muscles so as to impair the person's ability to drive or operate a motor vehicle.~~

(b) A criminal charge or conviction is not a prerequisite to consideration of punitive damages under this section. At the trial in an action where the trier of fact will consider an award of punitive damages, evidence that the driver has been convicted of violating section 169A.20 (driving while impaired), 609.2112, 609.2113, or 609.2114 (criminal vehicular homicide or injury) is admissible into evidence.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to acts committed on or after that date.

Sec. 11. Minnesota Statutes 2016, section 360.0752, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 360.0753:

(1) "operate" includes the acts of all crew members with responsibility to operate the aircraft;

(2) "controlled substance" has the meaning given in section 152.01, subdivision 4; and

(3) ~~"hazardous substance" means any chemical or chemical compound that is listed as a hazardous substance in rules adopted under chapter 182.~~ "intoxicating substance" has the meaning given in section 169A.03, subdivision 11a.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2016, section 360.0752, subdivision 2, is amended to read:

Subd. 2. **Crime; acts prohibited.** (a) It is a crime for any person to operate or attempt to operate an aircraft on or over land or water within this state or over any boundary water of this state under any of the following conditions:

(1) when the person is under the influence of alcohol;

(2) when the person is under the influence of a controlled substance;

(3) when the person is under the influence of a combination of any two or more of the elements named in clauses (1), (2), and (6);

(4) when the person's alcohol concentration is 0.04 or more;

(5) when the person's alcohol concentration as measured within two hours of the time of operation or attempted operation is 0.04 or more;

(6) when the person is ~~knowingly~~ under the influence of a ~~hazardous~~ an intoxicating substance ~~that affects the nervous system, brain, or muscles of the person so as to substantially impair the person's ability to operate the aircraft;~~

(7) when the person's body contains any amount of a controlled substance listed in Schedule I or II, other than marijuana or tetrahydrocannabinols; or

(8) within eight hours of having consumed any alcoholic beverage or used any controlled substance.

(b) If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of paragraph (a), clause (7), that the defendant used the controlled substance according to the terms of a prescription issued for the defendant in accordance with sections 152.11 and 152.12.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 13. Minnesota Statutes 2016, section 360.0752, subdivision 5, is amended to read:

Subd. 5. **Evidence.** Upon the trial of any prosecution arising out of acts alleged to have been committed by any person arrested for operating or attempting to operate an aircraft in violation of subdivision 2, the court may admit evidence of the presence or amount of alcohol, controlled substances, or ~~hazardous~~ intoxicating substances in the person's blood, breath, or urine as shown by an analysis of those items.

Evidence of the refusal to take a test is admissible into evidence in a prosecution under this section.

If proven by a preponderance of the evidence, it shall be an affirmative defense to a violation of subdivision 2, clause (5), that the defendant consumed a sufficient quantity of alcohol after the time of the violation and before the administration of the evidentiary test to cause the defendant's alcohol concentration to exceed 0.04; provided, that this evidence may not be admitted unless notice is given to the prosecution prior to the omnibus or pretrial hearing in the matter.

The foregoing provisions do not limit the introduction of any other competent evidence bearing upon the question whether or not the person violated this section, including tests obtained more than two hours after the alleged violation and results obtained from partial tests on an infrared breath-testing instrument. A result from a partial test is the measurement obtained by analyzing one adequate breath sample, as defined in section 360.0753, subdivision 4, paragraph (b).

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 14. Minnesota Statutes 2016, section 360.0752, subdivision 7, is amended to read:

Subd. 7. **Preliminary screening test.** When a peace officer has reason to believe that a person may be violating or has violated subdivision 2, the officer may require the person to provide a sample of the person's breath for a preliminary screening test using a device approved by the commissioner of public safety or the commissioner of transportation for this purpose. The results of this preliminary screening test shall be used for the purpose of deciding whether to require the tests authorized in section 360.0753, but shall not be used in any court action except to prove that a test was properly required of a person pursuant to section 360.0753. Following the screening test, additional tests may be required of the person pursuant to the provisions of section 360.0753.

A person who refuses to furnish a sample of the person's breath is subject to the provisions of section 360.0753 unless, in compliance with section 360.0753, the person submits to a blood, breath, or urine test to determine the presence or amount of alcohol, controlled substances, or ~~hazardous~~ intoxicating substances.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 15. Minnesota Statutes 2017 Supplement, section 360.0753, subdivision 2, is amended to read:

Subd. 2. **Implied consent; conditions; election of test.** (a) Any person who operates or attempts to operate an aircraft in or over this state or over any boundary water of this state consents, subject to the provisions of this section and section 360.0752, to a chemical test of that person's blood, breath, or urine for the purpose of determining the presence or amount of alcohol, controlled substances, or ~~hazardous~~ intoxicating substances. The test shall be administered at the direction of a peace officer.

(b) A test of the person's breath may be required when an officer has probable cause to believe the person was operating or attempting to operate an aircraft in violation of section 360.0752 and one of the following conditions exists:

- (1) the person has been lawfully placed under arrest for violation of section 360.0752;
- (2) the person has been involved in an aircraft accident or collision resulting in property damage, personal injury, or death;
- (3) the person has refused to take the screening test provided for by section 360.0752;

(4) the screening test was administered and recorded an alcohol concentration of 0.04 or more or the presence of a controlled substance listed in Schedule I or II other than marijuana or tetrahydrocannabinols; or

(5) the officer had probable cause to believe that the person was operating or attempting to operate an aircraft with any amount of alcohol present in the person's body.

(c) A test of the person's blood or urine may be required by an officer under the conditions described in paragraph (b) if the officer is acting pursuant to a search warrant under sections 626.04 to 626.18.

(d) At the time a test is requested, the person shall be informed:

(1) that Minnesota law requires the person to take a test to determine the presence or amount of alcohol or a controlled substance listed in Schedule I or II other than marijuana or tetrahydrocannabinols, or to determine if the person is under the influence of alcohol, controlled substances, or ~~hazardous~~ intoxicating substances;

(2) that whether a test is taken or refused, the person may be subject to criminal prosecution for an alcohol, controlled substance, or ~~hazardous~~ intoxicating substance-related offense relating to the operation of an aircraft;

(3) that if testing is refused, the person may be subject to criminal prosecution because the person refused testing and the person will be disqualified from operating an aircraft for a minimum period of one year;

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

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

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 16. Minnesota Statutes 2017 Supplement, section 360.0753, subdivision 3, is amended to read:

Subd. 3. **Type of test.** (a) A peace officer who directs a test pursuant to this section may direct a breath test.

(b) A peace officer, acting pursuant to a search warrant, may direct a blood or urine test as provided in the warrant. If the warrant authorizes either a blood or urine test, the officer may direct whether the test is of blood or urine. If the person to whom the test is directed objects to the test, the officer shall offer the person an alternative test of either blood or urine.

(c) A blood or urine test may be required pursuant to a search warrant even after a breath test has been administered if there is probable cause to believe that: (1) there is impairment by a controlled substance or ~~hazardous~~ an intoxicating substance that is not subject to testing by a breath test; or (2) a controlled substance listed in Schedule I or II, other than marijuana or tetrahydrocannabinols, is present in the person's body.

(d) Action under this section may be taken against a person who refuses to take a blood test only if an alternative test was offered and action may be taken against a person who refuses to take a urine test only if an alternative test was offered.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 17. Minnesota Statutes 2016, section 360.0753, subdivision 6, is amended to read:

Subd. 6. **Manner of making test; additional test.** (a) Only a physician, medical technician, physician's trained mobile intensive care paramedic, registered nurse, medical technologist, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence or amount of alcohol, controlled substances, or ~~hazardous~~ intoxicating substances. This limitation does not apply to the taking of a breath or urine sample. The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state.

(b) The failure or inability to obtain an additional test or tests by a person shall not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer.

(c) The physician, medical technician, physician's trained mobile intensive care paramedic, medical technologist, laboratory assistant, or registered nurse drawing blood at the request of a peace officer for the purpose of determining the presence or concentration of alcohol, controlled substances, or ~~hazardous~~ intoxicating substances shall in no manner be liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test shall be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety or the commissioner of transportation.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to acts committed on or after that date.

Sec. 18. Minnesota Statutes 2016, section 609.2111, is amended to read:

609.2111 DEFINITIONS.

(a) For purposes of sections 609.2111 to 609.2114, the terms defined in this subdivision have the meanings given them.

(b) "Motor vehicle" has the meaning given in section 609.52, subdivision 1, and includes attached trailers.

(c) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(d) ~~"Hazardous substance" means any chemical or chemical compound that is listed as a hazardous substance in rules adopted under chapter 182.~~ "Intoxicating substance" has the meaning given in section 169A.03, subdivision 11a.

(e) "Qualified prior driving offense" includes a prior conviction:

(1) for a violation of section 169A.20 under the circumstances described in section 169A.24 or 169A.25;

(2) under section 609.2112, subdivision 1, clauses (2) to (6); 609.2113, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); or 3, clauses (2) to (6); or 609.2114, subdivision 1, clauses (2) to (6); or 2, clauses (2) to (6);

(3) under Minnesota Statutes 2012, section 609.21, subdivision 1, clauses (2) to (6); or

(4) under Minnesota Statutes 2006, section 609.21, subdivision 1, clauses (2) to (6); 2, clauses (2) to (6); 2a, clauses (2) to (6); 2b, clauses (2) to (6); 3, clauses (2) to (6); or 4, clauses (2) to (6).

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 19. Minnesota Statutes 2016, section 609.2112, subdivision 1, is amended to read:

Subdivision 1. **Criminal vehicular homicide.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular homicide and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of a human being not constituting murder or manslaughter as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the collision leaves the scene of the collision in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the death was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 20. Minnesota Statutes 2016, section 609.2113, subdivision 1, is amended to read:

Subdivision 1. **Great bodily harm.** A person is guilty of criminal vehicular operation resulting in great bodily harm 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 causes great bodily harm to another not constituting attempted murder or assault as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 21. Minnesota Statutes 2016, section 609.2113, subdivision 2, is amended to read:

Subd. 2. **Substantial bodily harm.** A person is guilty of criminal vehicular operation resulting in substantial bodily harm and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both, if the person causes substantial bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 22. Minnesota Statutes 2016, section 609.2113, subdivision 3, is amended to read:

Subd. 3. **Bodily harm.** A person is guilty of criminal vehicular operation resulting in bodily harm and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the person causes bodily harm to another as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 23. Minnesota Statutes 2016, section 609.2114, subdivision 1, is amended to read:

Subdivision 1. **Death to an unborn child.** (a) Except as provided in paragraph (b), a person is guilty of criminal vehicular operation resulting in death to an unborn child and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the person causes the death of an unborn child as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

(b) If a person is sentenced under paragraph (a) for a violation under paragraph (a), clauses (2) to (6), occurring within ten years of a qualified prior driving offense, the statutory maximum sentence of imprisonment is 15 years.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 24. Minnesota Statutes 2016, section 609.2114, subdivision 2, is amended to read:

Subd. 2. **Injury to an unborn child.** A person is guilty of criminal vehicular operation resulting in injury to an unborn child 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 causes the great bodily harm to an unborn child subsequently born alive as a result of operating a motor vehicle:

(1) in a grossly negligent manner;

(2) in a negligent manner while under the influence of:

(i) alcohol;

(ii) a controlled substance; or

(iii) any combination of those elements;

(3) while having an alcohol concentration of 0.08 or more;

(4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;

(5) in a negligent manner while ~~knowingly~~ under the influence of ~~a hazardous~~ an intoxicating substance;

(6) in a negligent manner while any amount of a controlled substance listed in Schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body;

(7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or 6; or

(8) where the driver had actual knowledge that a peace officer had previously issued a citation or warning that the motor vehicle was defectively maintained, the driver had actual knowledge that remedial action was not taken, the driver had reason to know that the defect created a present danger to others, and the injury was caused by the defective maintenance.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date.

Sec. 25. Minnesota Statutes 2016, section 624.7142, subdivision 1, is amended to read:

Subdivision 1. **Acts prohibited.** A person may not carry a pistol on or about the person's clothes or person in a public place:

(1) when the person is under the influence of a controlled substance, as defined in section 152.01, subdivision 4;

(2) when the person is under the influence of a combination of any two or more of the elements named in clauses (1) and (4);

(3) when the person is ~~knowingly~~ under the influence of ~~any chemical compound or combination of chemical compounds that is listed as a hazardous substance in rules adopted under section 182.655 and that affects the nervous system, brain, or muscles of the person so as to impair the person's clearness of intellect or physical control~~ an intoxicating substance as defined in section 169A.03, subdivision 11a;

(4) when the person is under the influence of alcohol;

(5) when the person's alcohol concentration is 0.10 or more; or

(6) when the person's alcohol concentration is less than 0.10, but more than 0.04.

EFFECTIVE DATE. This section is effective August 1, 2018, and applies to crimes committed on or after that date."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "providing penalties for sale or possession of kratom; modifying DWI law by including other types of intoxicating substances and striking references to hazardous substances;"

Correct the title numbers accordingly

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3480, A bill for an act relating to consumer protection; regulating security freezes on consumer reports; providing for payment of fees; amending Minnesota Statutes 2016, section 13C.016, subdivision 8; proposing coding for new law in Minnesota Statutes, chapter 13C.

Reported the same back with the following amendments:

Page 2, delete section 2 and insert:

"Sec. 2. **[13C.05] ALTERNATIVE DISPUTE RESOLUTION.**

A contract between a consumer reporting agency and a consumer that allows or requires arbitration, mediation, or any other form of alternative dispute resolution must be venued in the county of this state where the consumer resides. Any clause in the contract that provides otherwise is void and unenforceable.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to contracts entered into on or after that date.

Sec. 3. **[13C.06] CREDIT MONITORING SERVICES.**

If a consumer reporting agency has had a breach of the security system involving a consumer's personal information, as provided in section 325E.61, the consumer reporting agency must offer credit monitoring services to the consumer for six years from the date of the breach, or the date the consumer reporting agency notifies the consumer of the breach, whichever is later. The credit monitoring services must be offered at no cost to the consumer.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to breaches of the security system that occur on or after that date."

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon

Page 1, line 3, delete everything before the semicolon and insert "modifying consumer report regulation; regulating security freezes, alternative dispute resolution, and credit monitoring services"

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3504, A bill for an act relating to corrections; extending retention of certain criminal gang investigative data; amending Minnesota Statutes 2016, section 299C.091, subdivision 5.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3509, A bill for an act relating to counties; providing a process for making the office of county recorder appointive in Morrison County.

Reported the same back with the following amendments:

Page 1, line 5, delete "RECORDER" and insert "AUDITOR-TREASURER"

Page 1, line 8, delete "recorder" and insert "auditor-treasurer"

Page 2, line 2, delete "recorder" and insert "auditor-treasurer"

Page 2, line 9, delete "recorder" and insert "auditor-treasurer"

Page 2, line 18, delete "recorder" and insert "auditor-treasurer"

Page 3, after line 10, insert:

"Sec. 2. **RENVILLE COUNTY RECORDER MAY BE APPOINTED.**

Subdivision 1. **Authorization to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Renville County Board of Commissioners, the office of county recorder is not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners, and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. **Publishing resolution; petition, referendum.** (a) Before the adoption of a resolution to provide for the appointment of the county recorder, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may adopt a resolution that provides for the appointment of the county recorder as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Within 60 days after the county board adopts the resolution, a petition requesting a referendum may be filed with the county auditor-treasurer. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county recorder must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election.

EFFECTIVE DATE. This section is effective the day after the Renville County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. **WADENA COUNTY AUDITOR-TREASURER AND RECORDER MAY BE APPOINTED.**

Subdivision 1. **Authorization to make office appointive.** Notwithstanding Minnesota Statutes, section 382.01, upon adoption of a resolution by the Wadena County Board of Commissioners, the offices of county auditor-treasurer and county recorder are not elective but must be filled by appointment by the county board as provided in the resolution.

Subd. 2. **Board controls; may change as long as duties done.** Upon adoption of a resolution by the county board of commissioners, and subject to subdivisions 3 and 4, the duties of an elected official required by statute whose office is made appointive as authorized by this section must be discharged by the county board of commissioners acting through a department head appointed by the board for that purpose. Reorganization, reallocation, delegation, or other administrative change or transfer does not diminish, prohibit, or avoid the discharge of duties required by statute.

Subd. 3. **Incumbents to complete term.** The person elected at the last general election to an office made appointive under this section must serve in that elected capacity and perform the duties, functions, and responsibilities required by statute until the completion of the term of office to which the person was elected or until a vacancy occurs in the office, whichever occurs earlier.

Subd. 4. **Publishing resolution; petition; referendum.** (a) Before the adoption of a resolution to provide for the appointment of the county auditor-treasurer and county recorder, the county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and prior to formally adopting the resolution, the county board shall provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment opportunity, at the same meeting or a subsequent meeting, the county board of commissioners may

adopt a resolution that provides for the appointment of the county auditor-treasurer and county recorder as permitted in this section. The resolution must be approved by at least 80 percent of the members of the county board. The resolution may take effect 60 days after it is adopted, or at a later date stated in the resolution, unless a petition is filed as provided in paragraph (b).

(b) Within 60 days after the county board adopts the resolution, a petition may be filed with the county auditor-treasurer requesting a referendum on the question of whether or not to make the offices of county auditor-treasurer and county recorder appointed positions. The petition must be signed by at least ten percent of the registered voters of the county. The petition must meet the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If the petition is sufficient, the question of appointing the county auditor-treasurer and county recorder must be placed on the ballot at a regular or special election. If a majority of the voters of the county voting on the question vote in favor of appointment, the resolution may be implemented.

Subd. 5. **Reverting to elected offices.** (a) The county board may adopt a resolution to provide for the election of an office made an appointed position under this section, but not until at least three years after the office was made an appointed position. The county board must publish a proposed resolution notifying the public of its intent to consider the issue once each week for two consecutive weeks in the official publication of the county. Following publication and before formally adopting the resolution, the county board must provide an opportunity at its next regular meeting for public comment relating to the issue. After the public comment hearing, the county board may adopt the resolution. The resolution must be approved by at least 60 percent of the members of the county board and is effective August 1 following adoption of the resolution.

(b) The question of whether an office made an appointed position under this section must be made an elected office must be placed on the ballot at the next general election if:

(1) the position has been an appointed position for at least three years;

(2) a petition signed by at least ten percent of the registered voters of the county is filed with the office of the county auditor-treasurer by August 1 of the year in which the general election is held; and

(3) the petition meets the requirements of the secretary of state, as provided in Minnesota Statutes, section 204B.071, and any rules adopted to implement that section. If a majority of the voters of the county voting on the question vote in favor of making the office an elected position, the election for the office must be held at the next regular or special election.

EFFECTIVE DATE. This section is effective the day after the Wadena County Board of Commissioners and its chief clerical officer timely complete their compliance with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Amend the title as follows:

Page 1, line 2, delete "the office of county recorder" and insert "various county offices"

Page 1, line 3, delete "in Morrison County"

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3518, A bill for an act relating to state government; requiring pay increases for state personnel be tied to performance; amending Minnesota Statutes 2016, section 43A.20.

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3523, A bill for an act relating to biodiesel; allowing the minimum biodiesel content level for diesel fuel to be modified during certain times of the year; extending Number 1 diesel exemption; amending Minnesota Statutes 2016, section 239.77, subdivisions 2, 3a.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3530, A bill for an act relating to health; establishing an advisory council on pediatric autoimmune neuropsychiatric disorders associated with streptococcal infections and pediatric acute-onset neuropsychiatric syndrome; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 1, line 13, delete "13" and insert "14"

Page 2, line 16, delete "and"

Page 2, line 17, delete the period and insert "; and"

Page 2, after line 17, insert:

"(14) a representative of health plan companies that offer health plans in the individual or group markets."

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3571, A bill for an act relating to health; modifying requirements for distribution of certain home dialysis supplies; amending Minnesota Statutes 2016, sections 151.19, subdivision 1; 151.46.

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3573, A bill for an act relating to human services; modifying family child care and legal nonlicensed child care program background study requirements; amending Minnesota Statutes 2017 Supplement, sections 245C.02, subdivision 6a; 245C.04, subdivision 1; 245C.05, subdivisions 2b, 5; 245C.15, subdivision 1; 245C.16, subdivision 1.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3575, A bill for an act relating to human services; establishing a working group to make recommendations on restructuring the Department of Human Services; requiring a report.

Reported the same back with the following amendments:

Page 1, line 9, delete "15" and insert "17"

Page 2, line 6, delete "and"

Page 2, line 7, after "Council" insert a comma

Page 2, line 8, delete the period and insert "; and"

Page 2, after line 8, insert:

"(10) two representatives of labor organizations, who must be full-time employees of the Department of Human Services working in facilities located in different geographic regions of the state, appointed by the governor."

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3578, A bill for an act relating to public safety; amending various provisions related to predatory offender registration; amending Minnesota Statutes 2016, sections 171.07, subdivision 1a; 243.166, subdivisions 1a, 1b, 2, 4, 4a, 4c, 5, 6, 7, 7a, by adding a subdivision; 299C.093.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety and Security Policy and Finance.

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3582, A bill for an act relating to housing; amending requirements for residential leases; amending Minnesota Statutes 2016, section 504B.111; proposing coding for new law in Minnesota Statutes, chapter 504B.

Reported the same back with the following amendments:

Page 1, line 21, delete everything after "lease"

Page 1, line 22, delete everything before the period

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

The report was adopted.

Johnson, B., from the Committee on Public Safety and Security Policy and Finance to which was referred:

H. F. No. 3610, A bill for an act relating to public safety; enhancing the penalty for assaulting a police officer; amending Minnesota Statutes 2016, section 609.2231, subdivision 1.

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

The report was adopted.

Johnson, B., from the Committee on Public Safety and Security Policy and Finance to which was referred:

H. F. No. 3611, A bill for an act relating to public safety; requiring law enforcement agencies to issue firearms to peace officers; amending Minnesota Statutes 2016, section 626.8452, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 626.8452, is amended by adding a subdivision to read:

Subd. 6. **Prohibition on disarming local law enforcement officers.** Unless expressly authorized under another section of law, a mayor, city council, county board, or chief law enforcement officer may not disarm a peace officer who is in good standing and not currently under investigation or subject to disciplinary action."

Delete the title and insert:

"A bill for an act relating to public safety; prohibiting local units of government from disarming peace officers who are in good standing; amending Minnesota Statutes 2016, section 626.8452, by adding a subdivision."

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3640, A bill for an act relating to health; modifying temporary license suspensions and background checks for certain health-related professions; amending Minnesota Statutes 2016, sections 214.075, subdivisions 1, 4, 5, 6; 214.077; 214.10, subdivision 8; Minnesota Statutes 2017 Supplement, section 364.09; repealing Minnesota Statutes 2016, section 214.075, subdivision 8.

Reported the same back with the following amendments:

Page 6, line 25, after "to" insert "the licensing or registration process for, or to"

Page 6, line 26, after "by" insert a comma

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3666, A bill for an act relating to environment; modifying terms of certain loan program; requiring rulemaking for disposal facility certificates; amending Minnesota Statutes 2016, section 116.993, subdivisions 2, 6.

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

The report was adopted.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 3672, A bill for an act relating to taxation; individual income; modifying the credit for past military service; amending Minnesota Statutes 2016, section 290.0677, subdivisions 1a, 2.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3688, A bill for an act relating to energy; modifying the energy improvements program; providing consumer protections for residential property assessed clean energy (PACE) loans; providing remedies; amending Minnesota Statutes 2016, sections 45.011, subdivision 1; 46.04, subdivision 1; 46.131, subdivisions 1, 2, 4; 216C.435, subdivisions 1, 2, 3a, 6, 8, by adding subdivisions; 216C.436, subdivisions 1, 2, 5, 7, 8, 9, by adding a subdivision; 290B.03, subdivision 1; Minnesota Statutes 2017 Supplement, section 46.131, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 2016, section 216C.435, subdivision 5.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3710, A bill for an act relating to taxation; sales tax; tax increment financing; abatements; local government aid; authorizing the city of Duluth to create a regional exchange district for development purposes; amending Minnesota Statutes 2016, section 297A.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 469.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 297A.71, is amended by adding a subdivision to read:

Subd. 51. Construction materials, public infrastructure, and improvements in regional exchange district. Materials and supplies used in, and equipment incorporated into, the construction and improvement of buildings and infrastructure, whether publicly or privately owned, which are located within a regional exchange district established under section 469.51, are exempt.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2018, and before July 1, 2035.

Sec. 2. **[469.50] DEFINITIONS.**

Subdivision 1. Application. For the purposes of sections 469.50 to 469.54, the terms defined in this section have the meanings given them.

Subd. 2. City. "City" means the city of Duluth.

Subd. 3. County. "County" means St. Louis County.

Subd. 4. District. "District" means the regional exchange district established under section 469.51.

Subd. 5. Medical business entity. "Medical business entity" means a medical business entity with its principal place of business in the regional exchange district that, effective January 1, 2015, is the largest private employer with the city.

Subd. 6. Public infrastructure project. (a) "Public infrastructure project" means a project financed in part or in whole with public money in order to support development in the district. A public infrastructure project may:

(1) acquire real property and other assets associated with the real property;

(2) demolish, repair, or rehabilitate buildings;

(3) remediate land and buildings as required to prepare the property for acquisition or development;

(4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the district, including but not limited to: streets, roadways, highways, utilities systems and related facilities, including relocations and realignments; structural caps or streetscape improvements; bridges or other buildable pads above streets, roadways, highways, and other rights-of-way; network and communication systems; drainage systems; sewer and water systems; subgrade structures and associated improvements; landscaping; façade construction and restoration; wayfinding and signage, and other components of community infrastructure;

(5) acquire, construct or reconstruct, and equip parking facilities, transit stations, and other facilities to encourage intermodal transportation and transit;

(6) install, construct or reconstruct, furnish, and equip parks and trails; cultural, community, educational, and recreational facilities; facilities to promote tourism and hospitality, conferencing, and conventions; and broadcast and related multimedia infrastructure;

(7) make related site improvements, including, without limitation, excavation, earth retention, soil stabilization and correction, foundation and substructure, vertical circulation systems, and other site improvements to support a district;

(8) prepare land for private development and to sell or lease land;

(9) pay the costs of providing relocation benefits to occupants of acquired properties; and

(10) construct and equip all or a portion of one or more suitable structures on land owned by the city or the state for sale or lease to private development; provided, however, that the portion of any structure directly financed by the city or the state as a public infrastructure project may not finance inpatient hospital facilities within a medical district.

(b) A public infrastructure project is not a business subsidy under section 116J.993.

Subd. 7. Regional Exchange District Advisory Board; advisory board; REDAB. "Regional Exchange District Advisory Board," "advisory board," or "REDAB" means the advisory board established under section 469.51, subdivision 3.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. [469.51] REGIONAL EXCHANGE DISTRICT; REGIONAL EXCHANGE DISTRICT ADVISORY BOARD.

Subdivision 1. Creation; boundaries. There is established in the city a regional exchange district, largely within the area of the city commonly referred to as the medical district. The regional exchange district is bounded by: East 6th Street from North 3rd Avenue East to North 7th Avenue East; North 7th Avenue East from East

6th Street to East 3rd Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake Superior waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East from Lake Place Park at the Lake Superior waterfront to East 6th Street, excluding any property operated as a hotel on the corner of Superior Street and North 3rd Avenue East.

Subd. 2. Purpose; findings. The public purposes of the district are to facilitate:

(1) repurposing vacant or underutilized public land, or unutilized property interests such as air rights, for development or redevelopment and to incent significant private investment;

(2) redeveloping vacant or underutilized private land to increase its tax-generating and job-creating potential or to provide housing or meet other community needs; and

(3) encouraging development by the anchoring institutions in the community, such as health care organizations and institutions of higher education, to create opportunities to improve the economy of the city and greater Minnesota regions and attract and retain a workforce.

Subd. 3. Advisory board. (a) The Regional Exchange District Advisory Board is created to provide the city with advice and guidance in developing an overall development plan for the regional exchange district. The advisory council terminates when funds from all appropriation support payments made to the city under section 469.54 are committed to approved public infrastructure projects.

(b) REDAB will consist of eight members appointed as follows:

(1) the mayor of the city or the mayor's designee, subject to approval of the city council;

(2) a city council member selected by the mayor;

(3) one member of the county board, appointed by the county board;

(4) a member of the Duluth Seaway Port Authority, appointed by the Port Authority Board;

(5) three representatives of the medical business entity, appointed by and serving at the pleasure of the medical business entity; and

(6) one member selected by a two-thirds vote by the members appointed under clauses (1) to (5).

(c) The appointing authorities must make their respective appointments as soon as practicable after May 31, 2018, but no later than June 30, 2018. A member first appointed after June 22, 2013, under paragraph (b), clauses (1) to (4), serves for a term coterminous with the term of the elected office, but may be reappointed. A vacancy occurs as provided in section 351.02 and must be filled by the appointing authority for the balance of a term in the same manner as a regular appointment. The member selected under paragraph (b), clause (6), serves a term coterminous with the member appointed under paragraph (b), clause (2), but may be reselected.

(d) The duties of the advisory board are to prepare a proposed development for the district for approval by the city council; propose modifications to the development plan for city council approval; and recommend to the city council proposed public infrastructure projects not specifically listed in the plan that the board designates as consistent with the development plan adopted by the city.

(e) The advisory board and committee or subcommittee of the advisory board is subject to the Open Meeting Law in chapter 13D and is a government entity for purposes of chapter 13.

Subd. 4. **Development plan.** (a) REDAB, in consultation with the city and the medical business entity, must prepare a proposed development plan for the district. The plan must provide the following:

(1) an outline for the development of the district to meet the purpose and findings in subdivision 2;

(2) discussion of how the development plans will increase economic activity in the city and fit into the city's long-term comprehensive development plans;

(3) a specific list of public infrastructure projects that meet the purposes and findings listed in subdivision 2; and

(4) the criteria to be used by the advisory board in evaluating whether a public infrastructure project, not specifically listed in the plan under clause (3), is consistent with the proposed development plan.

(b) A development plan for the district is not adopted until approved by the city council. If the city council rejects the initial development plan proposed by the advisory board, the board may revise the development plan and resubmit the plan. Section 15.99 does not apply to review and approval of the development plan. The city must not spend any appropriation support payments from the state until it has approved a development plan proposed by the advisory board.

(c) REDAB may propose modifications to the development plan at any time, however all changes are subject to approval by the city council.

Subd. 5. **Project approval; notice; hearing.** Public infrastructure projects may be undertaken within the district by the city if the project is listed in the development plan or is recommended to the city by REDAB. The city must hold a public hearing before approving a public infrastructure project for local or state funding provided pursuant to section 469.53 or 469.54. At least ten days before the hearing, the city must publish notice of the hearing in the official newspaper of the city.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 4. **[469.52] CITY POWERS; DUTIES; AUTHORITY TO ISSUE BONDS.**

Subdivision 1. **Port authority powers.** The city may exercise the powers of a port authority under sections 469.048 to 469.068 for purposes of implementing sections 469.50 to 469.54.

Subd. 2. **City may issue debt.** The city may issue general obligation bonds, revenue bonds, or other obligations, as it determines appropriate, to finance public infrastructure projects, as provided by chapter 475. Notwithstanding section 475.53, obligations issued under this section are not subject to the limits on net debt, regardless of their source of security or payment. Notwithstanding section 475.58 or any other law or charter provision to the contrary, issuance of obligations under the provisions of this section are not subject to approval of the electors. The city may pledge local revenues under section 469.53, the appropriation support payments under section 469.54, and any of the city's unrestricted revenues as security for and to pay the obligations.

Subd. 3. **American-made steel.** The city must require that a public infrastructure project use American steel products to the extent practicable. In determining whether it is practicable, the city may consider the exceptions to the requirement by Public Law 111-5, section 1605.

Subd. 4. **City contracts; construction requirements.** For all public infrastructure projects, the city must make reasonable efforts to hire and cause the construction manager and any subcontractors to employ women and members of minority communities. Goals for construction contracts must be established in the manner required under the city's disadvantaged business enterprises plan.

Subd. 5. **Public bidding exemption.** Notwithstanding section 469.068 or any other law to the contrary, the city need not require competitive bidding with respect to a parking facility or other public improvements constructed in conjunction with, and directly above or below, or adjacent and integrally related to, a private development within a district.

Subd. 6. **Support to advisory board.** The city may provide financial, administrative, and research support, and office and other space, to the board. The city may appropriate city funds to the board for its work.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. **[469.53] LOCAL VALUE CAPTURE AUTHORITY.**

Subdivision 1. **Special abatement rules.** (a) If the city or county elects to use tax abatement under sections 469.1812 to 469.1815 to finance costs of public infrastructure projects, or to finance the costs of a joint project between the city and county, including all financing costs, the special rules under this subdivision apply.

(b) The limitations under section 469.1813, subdivision 6, do not apply.

(c) The limitations under section 469.1813, subdivision 8, do not apply, and property taxes abated by the city or county to finance costs of public infrastructure projects are not included for purposes of applying section 469.1813, subdivision 8, to the use of tax abatement for other purposes.

Subd. 2. **Special tax increment financing rules.** If the city elects to establish one or more redevelopment tax increment financing districts within a regional exchange district to fund public infrastructure projects, the requirements, definitions, limitations, or restrictions in the following statutes do not apply: sections 469.174, subdivisions 10 and 25, clause (2); 469.176, subdivisions 4j, 4l, and 5; and 469.1763, subdivisions 2, 3, and 4. The provisions of this subdivision expire effective for tax increments expended after December 31, 2054. After that date, the provisions of section 469.1763, subdivision 4, apply to any remaining unspent or unobligated increments.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 6. **[469.54] STATE VALUE CAPTURE.**

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

(b) "Appropriation support payments" means payment from the state to the city pursuant to subdivision 3.

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

(d) "Construction projects" means expenditures for the constructing, furnishing, commissioning, and equipping of buildings, ancillary facilities, utilities, parking, and other improvements, whether private or public, that are located within a district.

(e) "Expenditures" means expenditures made, or to be made, by any entity on construction projects for the capital cost of the construction project, including but not limited to:

- (1) planning, predesign, design, including architectural, engineering, project management, and similar services;
- (2) legal, regulatory, and other compliance costs of the project;
- (3) land acquisition, demolition of existing improvements, and other site preparation costs;
- (4) construction costs, including all materials and supplies of the project; and
- (5) equipment, furnishings, and fixtures.

Expenditures excludes supplies and other items with a useful life of less than a year that are not used or consumed in constructing improvements to real property or are otherwise chargeable to capital costs.

(f) "Finance" means to pay all costs, including the costs of debt financing, which includes principal, interest, and premium.

(g) "Qualified expenditures" means the total minimum contract value of all executed contracts for construction projects.

Subd. 2. **Certification of expenditures.** By March 1 of each year, the city must certify to the commissioner the amount of qualified expenditures made through the end of the preceding year. The certification must be made in the form that the commissioner prescribes and include any documentation of and supporting information regarding the qualified expenditures that the commissioner requires. By July 1 of each year, the commissioner must confirm or revise the amount of the qualified expenditures.

Subd. 3. **Appropriation support payments.** (a) No appropriation support payments from the state to the city may be made under this section until total qualified expenditures equal at least \$360,000,000.

(b) The amount of the appropriation support payments for a year equals:

(1) for qualified expenditures, as certified by the commissioner, of \$360,000,000, the amount of \$360,000,000 multiplied by 0.02; plus

(2) for qualified expenditures, as certified by the commissioner, if any, between \$360,000,000 and \$540,000,000, the amount of such certified qualified expenditures multiplied by 0.015; plus

(3) for qualified expenditures, as certified by the commissioner, if any, between \$540,000,000 and \$720,000,000, the amount of such certified qualified expenditures multiplied by 0.0125; plus

(4) for qualified expenditures, as certified by the commissioner, if any, between \$720,000,000 and \$1,000,000,000, the amount of such certified qualified expenditures multiplied by 0.01.

(c) The maximum amount of appropriation support payments in any year is limited to no more than \$15,000,000, minus the amount of city contributions under sections 7 and 8 in the previous calendar year. The total amount of appropriation support payments made under this subdivision is limited to an amount sufficient to finance \$184,000,000 of public infrastructure projects.

(d) The city must use the appropriation support payments it receives under this subdivision for public infrastructure projects, including the cost to finance such projects. The city must maintain appropriate records to document the use of the funds under this requirement.

(e) The commissioner must pay to the city the amount of appropriation support payments determined under this section for the year by September 1.

Subd. 4. **Prevailing wage requirement.** During the construction, installation, remodeling, and repairs of any public infrastructure project funded by appropriation support payments, laborers and mechanics at the site must be paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the public infrastructure project is subject to the requirements of sections 177.30 and 177.41 to 177.44.

Subd. 5. **Termination.** No aid may be paid under this section after fiscal year 2054.

Subd. 6. **Appropriation.** An amount sufficient to pay the appropriation support payments authorized under this section to the city is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. Laws 1980, chapter 511, section 1, subdivision 2, as amended by Laws 1991, chapter 291, article 8, section 22, Laws 1998, chapter 389, article 8, section 25, Laws 2003, First Special Session chapter 21, article 8, section 11, Laws 2008, chapter 154, article 5, section 2, Laws 2014, chapter 308, article 3, section 21, and Laws 2017, First Special Session chapter 1, article 5, section 1, is amended to read:

Subd. 2. (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one and three-quarter percent on sales transactions which are described in Minnesota Statutes 2000, section 297A.01, subdivision 3, clause (c). The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions. When the city council determines that the taxes imposed under this paragraph at a rate of three-quarters of one percent and other sources of revenue produce revenue sufficient to pay debt service on bonds in the principal amount of \$40,285,000 plus issuance and discount costs, issued for capital improvements at the Duluth Entertainment and Convention Center, which include a new arena, the rate of tax under this subdivision must be reduced by three-quarters of one percent.

(b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent on sales transactions which are described in Minnesota Statutes 2000, section 297A.01, subdivision 3, clause (c). This tax expires when the city council determines that the tax imposed under this paragraph, along with the tax imposed under section 22, paragraph (b), has produced revenues sufficient to pay the debt service on bonds in a principal amount of no more than \$18,000,000, plus issuance and discount costs, to finance capital improvements to public facilities to support tourism and recreational activities in that portion of the city west of 14th Avenue West and the area south of and including Skyline Parkway.

(c) The city of Duluth may sell and issue up to \$18,000,000 in general obligation bonds under Minnesota Statutes, chapter 475, plus an additional amount to pay for the costs of issuance and any premiums. The proceeds may be used to finance capital improvements to public facilities that support tourism and recreational activities in the portion of the city west of 14th Avenue West and the area south of and including Skyline Parkway, as described in paragraph (b). The issuance of the bonds is subject to the provisions of Minnesota Statutes, chapter 475, except no election shall be required unless required by the city charter. The bonds shall not be included in computing net debt. The revenues from the taxes that the city of Duluth may impose under paragraph (b) and under section 22, paragraph (b), may be pledged to pay principal of and interest on such bonds.

(d) If the city of Duluth adopts a development plan for a regional exchange district under Minnesota Statutes, section 469.51, the tax under paragraph (b) shall be extended for ten years after it would otherwise expire under that paragraph and all revenues from the extension of the tax under this paragraph must be used to fund public infrastructure projects, including related bonds costs, in the regional exchange district. Use of this revenue is limited to the same allowed uses for state appropriation support payments under Minnesota Statutes, section 469.54.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. Laws 1980, chapter 511, section 2, as amended by Laws 1998, chapter 389, article 8, section 26, Laws 2003, First Special Session chapter 21, article 8, section 12, Laws 2014, chapter 308, article 3, section 22, and Laws 2017, First Special Session chapter 1, article 5, section 2, is amended to read:

Sec. 22. CITY OF DULUTH; TAX ON RECEIPTS BY HOTELS AND MOTELS.

(a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, or ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional tax of one percent upon the gross receipts from the sale of lodging for periods of less than 30 days in hotels and motels located in the city. The tax shall be collected in the same manner as the tax set forth in the Duluth city charter, section 54(d), paragraph one. The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions.

(b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent on the gross receipts from the sale of lodging for periods of less than 30 days in hotels and motels located in the city. This tax expires when the city council first determines that the tax imposed under this paragraph, along with the tax imposed under section 21, paragraph (b), has produced revenues sufficient to pay the debt service on bonds in a principal amount of no more than \$18,000,000, plus issuance and discount costs, to finance capital improvements to public facilities to support tourism and recreational activities in that portion of the city west of 14th Avenue West and the area south of and including Skyline Parkway.

(c) If the city of Duluth adopts a development plan for a regional exchange district under Minnesota Statutes, section 469.51, the tax under paragraph (b) shall be extended for ten years after it would otherwise expire under that paragraph and all revenues from the extension of the tax under this paragraph must be used to fund public infrastructure projects, including related bonds costs, in the regional exchange district. Use of this revenue is limited to the same allowed uses for state appropriation support payments under Minnesota Statutes, section 469.54.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing the extension of certain taxes in the city of Duluth;"

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

The report was adopted.

Garofalo from the Committee on Job Growth and Energy Affordability Policy and Finance to which was referred:

H. F. No. 3711, A bill for an act relating to taxation; sales tax; tax increment financing; abatements; local government aid; authorizing the city of Duluth to create a regional exchange district for development purposes; amending Minnesota Statutes 2016, section 297A.71, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 469.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 297A.71, is amended by adding a subdivision to read:

Subd. 51. **Construction materials, public infrastructure, and improvements in regional exchange district.** Materials and supplies used in, and equipment incorporated into, the construction and improvement of buildings and infrastructure, whether publicly or privately owned, which are located within a regional exchange district established under section 469.51, are exempt.

EFFECTIVE DATE. This section is effective for sales and purchases made after June 30, 2018, and before July 1, 2035.

Sec. 2. **[469.50] DEFINITIONS.**

Subdivision 1. **Application.** For the purposes of sections 469.50 to 469.54, the terms defined in this section have the meanings given them.

Subd. 2. **City.** "City" means the city of Duluth.

Subd. 3. **County.** "County" means St. Louis County.

Subd. 4. **District.** "District" means the regional exchange district established under section 469.51.

Subd. 5. **Medical business entity.** "Medical business entity" means a medical business entity with its principal place of business in the regional exchange district that, effective January 1, 2015, is the largest private employer with the city.

Subd. 6. **Public infrastructure project.** (a) "Public infrastructure project" means a project financed in part or in whole with public money in order to support development in the district. A public infrastructure project may:

(1) acquire real property and other assets associated with the real property;

(2) demolish, repair, or rehabilitate buildings;

(3) remediate land and buildings as required to prepare the property for acquisition or development;

(4) install, construct, or reconstruct elements of public infrastructure required to support the overall development of the district, including but not limited to: streets, roadways, highways, utilities systems and related facilities, including relocations and realignments; structural caps or streetscape improvements; bridges or other buildable pads above streets, roadways, highways, and other rights-of-way; network and communication systems; drainage systems; sewer and water systems; subgrade structures and associated improvements; landscaping; façade construction and restoration; wayfinding and signage, and other components of community infrastructure;

(5) acquire, construct or reconstruct, and equip parking facilities, transit stations, and other facilities to encourage intermodal transportation and transit;

(6) install, construct or reconstruct, furnish, and equip parks and trails; cultural, community, educational, and recreational facilities; facilities to promote tourism and hospitality, conferencing, and conventions; and broadcast and related multimedia infrastructure;

(7) make related site improvements, including, without limitation, excavation, earth retention, soil stabilization and correction, foundation and substructure, vertical circulation systems, and other site improvements to support a district;

(8) prepare land for private development and to sell or lease land;

(9) pay the costs of providing relocation benefits to occupants of acquired properties; and

(10) construct and equip all or a portion of one or more suitable structures on land owned by the city or the state for sale or lease to private development; provided, however, that the portion of any structure directly financed by the city or the state as a public infrastructure project may not finance inpatient hospital facilities within a medical district.

(b) A public infrastructure project is not a business subsidy under section 116J.993.

Subd. 7. **Regional Exchange District Advisory Board; advisory board; REDAB.** "Regional Exchange District Advisory Board," "advisory board," or "REDAB" means the advisory board established under section 469.51, subdivision 3.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 3. **[469.51] REGIONAL EXCHANGE DISTRICT; REGIONAL EXCHANGE DISTRICT ADVISORY BOARD.**

Subdivision 1. Creation; boundaries. There is established in the city a regional exchange district, largely within the area of the city commonly referred to as the medical district. The regional exchange district is bounded by: East 6th Street from North 3rd Avenue East to North 7th Avenue East; North 7th Avenue East from East 6th Street to East 3rd Street; East 3rd Street from North 7th Avenue East to North 12th Avenue East; North 12th Avenue East from East 3rd Street straight through the Duluth Rose Garden to the Lake Superior waterfront; the Lake Superior waterfront from the Duluth Rose Garden at North 12th Avenue East to Lake Place Park at North 3rd Avenue East; North 3rd Avenue East from Lake Place Park at the Lake Superior waterfront to East 6th Street, excluding any property operated as a hotel on the corner of Superior Street and North 3rd Avenue East.

Subd. 2. **Purpose; findings.** The public purposes of the district are to facilitate:

(1) repurposing vacant or underutilized public land, or unutilized property interests such as air rights, for development or redevelopment and to incent significant private investment;

(2) redeveloping vacant or underutilized private land to increase its tax-generating and job-creating potential or to provide housing or meet other community needs; and

(3) encouraging development by the anchoring institutions in the community, such as health care organizations and institutions of higher education, to create opportunities to improve the economy of the city and greater Minnesota regions and attract and retain a workforce.

Subd. 3. **Advisory board.** (a) The Regional Exchange District Advisory Board is created to provide the city with advice and guidance in developing an overall development plan for the regional exchange district. The advisory council terminates when funds from all appropriation support payments made to the city under section 469.54 are committed to approved public infrastructure projects.

(b) REDAB will consist of eight members appointed as follows:

(1) the mayor of the city or the mayor's designee, subject to approval of the city council;

(2) a city council member selected by the mayor;

(3) one member of the county board, appointed by the county board;

(4) a member of the Duluth Seaway Port Authority, appointed by the Port Authority Board;

(5) three representatives of the medical business entity, appointed by and serving at the pleasure of the medical business entity; and

(6) one member selected by a two-thirds vote by the members appointed under clauses (1) to (5).

(c) The appointing authorities must make their respective appointments as soon as practicable after May 31, 2018, but no later than June 30, 2018. A member first appointed after June 22, 2013, under paragraph (b), clauses (1) to (4), serves for a term coterminous with the term of the elected office, but may be reappointed. A vacancy occurs as provided in section 351.02 and must be filled by the appointing authority for the balance of a term in the same manner as a regular appointment. The member selected under paragraph (b), clause (6), serves a term coterminous with the member appointed under paragraph (b), clause (2), but may be reselected.

(d) The duties of the advisory board are to prepare a proposed development for the district for approval by the city council; propose modifications to the development plan for city council approval; and recommend to the city council proposed public infrastructure projects not specifically listed in the plan that the board designates as consistent with the development plan adopted by the city.

(e) The advisory board and committee or subcommittee of the advisory board is subject to the Open Meeting Law in chapter 13D and is a government entity for purposes of chapter 13.

Subd. 4. **Development plan.** (a) REDAB, in consultation with the city and the medical business entity, must prepare a proposed development plan for the district. The plan must provide the following:

(1) an outline for the development of the district to meet the purpose and findings in subdivision 2;

(2) discussion of how the development plans will increase economic activity in the city and fit into the city's long-term comprehensive development plans;

(3) a specific list of public infrastructure projects that meet the purposes and findings listed in subdivision 2; and

(4) the criteria to be used by the advisory board in evaluating whether a public infrastructure project, not specifically listed in the plan under clause (3), is consistent with the proposed development plan.

(b) A development plan for the district is not adopted until approved by the city council. If the city council rejects the initial development plan proposed by the advisory board, the board may revise the development plan and resubmit the plan. Section 15.99 does not apply to review and approval of the development plan. The city must not spend any appropriation support payments from the state until it has approved a development plan proposed by the advisory board.

(c) REDAB may propose modifications to the development plan at any time, however all changes are subject to approval by the city council.

Subd. 5. **Project approval; notice; hearing.** Public infrastructure projects may be undertaken within the district by the city if the project is listed in the development plan or is recommended to the city by REDAB. The city must hold a public hearing before approving a public infrastructure project for local or state funding provided pursuant to section 469.53 or 469.54. At least ten days before the hearing, the city must publish notice of the hearing in the official newspaper of the city.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 4. **[469.52] CITY POWERS; DUTIES; AUTHORITY TO ISSUE BONDS.**

Subdivision 1. **Port authority powers.** The city may exercise the powers of a port authority under sections 469.048 to 469.068 for purposes of implementing sections 469.50 to 469.54.

Subd. 2. **City may issue debt.** The city may issue general obligation bonds, revenue bonds, or other obligations, as it determines appropriate, to finance public infrastructure projects, as provided by chapter 475. Notwithstanding section 475.53, obligations issued under this section are not subject to the limits on net debt, regardless of their source of security or payment. Notwithstanding section 475.58 or any other law or charter provision to the contrary, issuance of obligations under the provisions of this section are not subject to approval of the electors. The city may pledge local revenues under section 469.53, the appropriation support payments under section 469.54, and any of the city's unrestricted revenues as security for and to pay the obligations.

Subd. 3. **American-made steel.** The city must require that a public infrastructure project use American steel products to the extent practicable. In determining whether it is practicable, the city may consider the exceptions to the requirement by Public Law 111-5, section 1605.

Subd. 4. **City contracts; construction requirements.** For all public infrastructure projects, the city must make reasonable efforts to hire and cause the construction manager and any subcontractors to employ women and members of minority communities. Goals for construction contracts must be established in the manner required under the city's disadvantaged business enterprises plan.

Subd. 5. **Public bidding exemption.** Notwithstanding section 469.068 or any other law to the contrary, the city need not require competitive bidding with respect to a parking facility or other public improvements constructed in conjunction with, and directly above or below, or adjacent and integrally related to, a private development within a district.

Subd. 6. **Support to advisory board.** The city may provide financial, administrative, and research support, and office and other space, to the board. The city may appropriate city funds to the board for its work.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 5. **[469.53] LOCAL VALUE CAPTURE AUTHORITY.**

Subdivision 1. **Special abatement rules.** (a) If the city or county elects to use tax abatement under sections 469.1812 to 469.1815 to finance costs of public infrastructure projects, or to finance the costs of a joint project between the city and county, including all financing costs, the special rules under this subdivision apply.

(b) The limitations under section 469.1813, subdivision 6, do not apply.

(c) The limitations under section 469.1813, subdivision 8, do not apply, and property taxes abated by the city or county to finance costs of public infrastructure projects are not included for purposes of applying section 469.1813, subdivision 8, to the use of tax abatement for other purposes.

Subd. 2. **Special tax increment financing rules.** If the city elects to establish one or more redevelopment tax increment financing districts within a regional exchange district to fund public infrastructure projects, the requirements, definitions, limitations, or restrictions in the following statutes do not apply: sections 469.174, subdivisions 10 and 25, clause (2); 469.176, subdivisions 4j, 4l, and 5; and 469.1763, subdivisions 2, 3, and 4. The provisions of this subdivision expire effective for tax increments expended after December 31, 2054. After that date, the provisions of section 469.1763, subdivision 4, apply to any remaining unspent or unobligated increments.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 6. **[469.54] STATE VALUE CAPTURE.**

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

(b) "Appropriation support payments" means payment from the state to the city pursuant to subdivision 3.

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

(d) "Construction projects" means expenditures for the constructing, furnishing, commissioning, and equipping of buildings, ancillary facilities, utilities, parking, and other improvements, whether private or public, that are located within a district.

(e) "Expenditures" means expenditures made, or to be made, by any entity on construction projects for the capital cost of the construction project, including but not limited to:

(1) planning, predesign, design, including architectural, engineering, project management, and similar services;

(2) legal, regulatory, and other compliance costs of the project;

(3) land acquisition, demolition of existing improvements, and other site preparation costs;

(4) construction costs, including all materials and supplies of the project; and

(5) equipment, furnishings, and fixtures.

Expenditures excludes supplies and other items with a useful life of less than a year that are not used or consumed in constructing improvements to real property or are otherwise chargeable to capital costs.

(f) "Finance" means to pay all costs, including the costs of debt financing, which includes principal, interest, and premium.

(g) "Qualified expenditures" means the total minimum contract value of all executed contracts for construction projects.

Subd. 2. **Certification of expenditures.** By March 1 of each year, the city must certify to the commissioner the amount of qualified expenditures made through the end of the preceding year. The certification must be made in the form that the commissioner prescribes and include any documentation of and supporting information regarding the qualified expenditures that the commissioner requires. By July 1 of each year, the commissioner must confirm or revise the amount of the qualified expenditures.

Subd. 3. **Appropriation support payments.** (a) No appropriation support payments from the state to the city may be made under this section until total qualified expenditures equal at least \$360,000,000.

(b) The amount of the appropriation support payments for a year equals:

(1) for qualified expenditures, as certified by the commissioner, of \$360,000,000, the amount of \$360,000,000 multiplied by 0.02; plus

(2) for qualified expenditures, as certified by the commissioner, if any, between \$360,000,000 and \$540,000,000, the amount of such certified qualified expenditures multiplied by 0.015; plus

(3) for qualified expenditures, as certified by the commissioner, if any, between \$540,000,000 and \$720,000,000, the amount of such certified qualified expenditures multiplied by 0.0125; plus

(4) for qualified expenditures, as certified by the commissioner, if any, between \$720,000,000 and \$1,000,000,000, the amount of such certified qualified expenditures multiplied by 0.01.

(c) The maximum amount of appropriation support payments in any year is limited to no more than \$15,000,000, minus the amount of city contributions under sections 7 and 8 in the previous calendar year. The total amount of appropriation support payments made under this subdivision is limited to an amount sufficient to finance \$184,000,000 of public infrastructure projects.

(d) The city must use the appropriation support payments it receives under this subdivision for public infrastructure projects, including the cost to finance such projects. The city must maintain appropriate records to document the use of the funds under this requirement.

(e) The commissioner must pay to the city the amount of appropriation support payments determined under this section for the year by September 1.

Subd. 4. **Prevailing wage requirement.** During the construction, installation, remodeling, and repairs of any public infrastructure project funded by appropriation support payments, laborers and mechanics at the site must be paid the prevailing wage rate as defined in section 177.42, subdivision 6, and the public infrastructure project is subject to the requirements of sections 177.30 and 177.41 to 177.44.

Subd. 5. **Termination.** No aid may be paid under this section after fiscal year 2054.

Subd. 6. **Appropriation.** An amount sufficient to pay the appropriation support payments authorized under this section to the city is appropriated to the commissioner from the general fund.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 7. Laws 1980, chapter 511, section 1, subdivision 2, as amended by Laws 1991, chapter 291, article 8, section 22, Laws 1998, chapter 389, article 8, section 25, Laws 2003, First Special Session chapter 21, article 8, section 11, Laws 2008, chapter 154, article 5, section 2, Laws 2014, chapter 308, article 3, section 21, and Laws 2017, First Special Session chapter 1, article 5, section 1, is amended to read:

Subd. 2. (a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one and three-quarter percent on sales transactions which are described in Minnesota Statutes 2000, section 297A.01, subdivision 3, clause (c). The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions. When the city council determines that the taxes imposed under this paragraph at a rate of three-quarters of one percent and other sources of revenue produce revenue sufficient to pay debt service on bonds in the principal amount of \$40,285,000 plus issuance and discount costs, issued for capital improvements at the Duluth Entertainment and Convention Center, which include a new arena, the rate of tax under this subdivision must be reduced by three-quarters of one percent.

(b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent on sales transactions which are described in Minnesota Statutes 2000, section 297A.01, subdivision 3, clause (c). This tax expires when the city council determines that the tax imposed under this paragraph, along with the tax imposed under section 22, paragraph (b), has produced revenues sufficient to pay the debt service on bonds in a principal amount of no more than \$18,000,000, plus issuance and discount costs, to finance capital improvements to public facilities to support tourism and recreational activities in that portion of the city west of 14th Avenue West and the area south of and including Skyline Parkway.

(c) The city of Duluth may sell and issue up to \$18,000,000 in general obligation bonds under Minnesota Statutes, chapter 475, plus an additional amount to pay for the costs of issuance and any premiums. The proceeds may be used to finance capital improvements to public facilities that support tourism and recreational activities in the portion of the city west of 14th Avenue West and the area south of and including Skyline Parkway, as described in paragraph (b). The issuance of the bonds is subject to the provisions of Minnesota Statutes, chapter 475, except no election shall be required unless required by the city charter. The bonds shall not be included in computing net debt. The revenues from the taxes that the city of Duluth may impose under paragraph (b) and under section 22, paragraph (b), may be pledged to pay principal of and interest on such bonds.

(d) If the city of Duluth adopts a development plan for a regional exchange district under Minnesota Statutes, section 469.51, the tax under paragraph (b) shall be extended for ten years after it would otherwise expire under that paragraph and all revenues from the extension of the tax under this paragraph must be used to fund public infrastructure projects, including related bonds costs, in the regional exchange district. Use of this revenue is limited to the same allowed uses for state appropriation support payments under Minnesota Statutes, section 469.54.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 8. Laws 1980, chapter 511, section 2, as amended by Laws 1998, chapter 389, article 8, section 26, Laws 2003, First Special Session chapter 21, article 8, section 12, Laws 2014, chapter 308, article 3, section 22, and Laws 2017, First Special Session chapter 1, article 5, section 2, is amended to read:

Sec. 22. CITY OF DULUTH; TAX ON RECEIPTS BY HOTELS AND MOTELS.

(a) Notwithstanding Minnesota Statutes, section 477A.016, or any other law, or ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional tax of one percent upon the gross receipts from the sale of lodging for periods of less than 30 days in hotels and motels located in the city. The tax shall be collected in the same manner as the tax set forth in the Duluth city charter, section 54(d), paragraph one. The imposition of this tax shall not be subject to voter referendum under either state law or city charter provisions.

(b) In addition to the tax in paragraph (a) and notwithstanding Minnesota Statutes, section 477A.016, or any other law, ordinance, or city charter provision to the contrary, the city of Duluth may, by ordinance, impose an additional sales tax of up to one-half of one percent on the gross receipts from the sale of lodging for periods of less than 30 days in hotels and motels located in the city. This tax expires when the city council first determines that the tax imposed under this paragraph, along with the tax imposed under section 21, paragraph (b), has produced revenues sufficient to pay the debt service on bonds in a principal amount of no more than \$18,000,000, plus issuance and discount costs, to finance capital improvements to public facilities to support tourism and recreational activities in that portion of the city west of 14th Avenue West and the area south of and including Skyline Parkway.

(c) If the city of Duluth adopts a development plan for a regional exchange district under Minnesota Statutes, section 469.51, the tax under paragraph (b) shall be extended for ten years after it would otherwise expire under that paragraph and all revenues from the extension of the tax under this paragraph must be used to fund public infrastructure projects, including related bonds costs, in the regional exchange district. Use of this revenue is limited to the same allowed uses for state appropriation support payments under Minnesota Statutes, section 469.54.

EFFECTIVE DATE. This section is effective the day after the governing body of the city of Duluth and its chief clerical officer timely comply with Minnesota Statutes, section 645.021, subdivisions 2 and 3."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "authorizing the extension of certain taxes in the city of Duluth;"

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3723, A bill for an act relating to public employment; prohibiting exclusive representatives from requiring political contributions; prohibiting the state from facilitating payroll deductions for political purposes; amending Minnesota Statutes 2016, sections 16A.133; 179A.06, subdivisions 3, 6; 181.06, by adding a subdivision; 181.063; proposing coding for new law in Minnesota Statutes, chapter 179A.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. **[10A.205] CORPORATE POLITICAL ACTIVITY REPORTS.**

Subdivision 1. **Receipt of reports.** The board must maintain a copy of each shareholder notification report received under section 211B.155 on the board's Web site.

Subd. 2. **Annual audit.** On an annual basis, the board shall randomly audit the extent of compliance or noncompliance by corporations required to provide shareholder notification under section 211B.155. No later than June 30 of each year, the board shall submit a report to the legislature on the results of audits conducted in the preceding year. An audit required by this subdivision shall be conducted in the manner provided for audits and investigations by the board under section 10A.022, subdivision 2.

EFFECTIVE DATE. This section is effective June 1, 2018."

Page 2, line 30, delete everything after "to" and insert "an exclusive representative governed by this chapter and applies to collective bargaining agreements that are required to be submitted to the legislature under section 3.855 or that cover 10,000 or more public employees."

Page 3, delete section 5 and insert:

"Sec. 6. Minnesota Statutes 2016, section 181.06, is amended by adding a subdivision to read:

Subd. 3. Certain payroll deductions; public employees. (a) For the purposes of this subdivision:

(1) "public employee" has the meaning given in section 179A.03, subdivision 14;

(2) "covered public employee" means:

(i) a public employee covered by a collective bargaining agreement required to be submitted to the legislature under section 3.855; or

(ii) a public employee who is a member of an exclusive representative that represents 10,000 or more members who are public employees in the state.

(b) Notwithstanding anything to the contrary, payroll deductions or assignments of wages to pay the portion of covered public employee union dues or fair share fees used for political purposes under section 179A.065 must conform to the requirements of this subdivision.

(c) An employer must not deduct or allow the deduction of the portion of union dues or fair share fees used for political purposes under section 179A.065 from the wages of any covered public employee."

Page 3, after line 29, insert:

"Sec. 8. Minnesota Statutes 2016, section 211B.15, is amended by adding a subdivision to read:

Subd. 4a. Shareholder consent. (a) A corporation may not engage in contribution or expenditure activity for political purposes that, in the aggregate, exceeds \$10,000 in a calendar year, unless the shareholders of the corporation have approved the contribution or expenditure activity by majority vote. The vote must be conducted according to the rules and bylaws of the corporation, and may authorize a specific contribution or expenditure, or may authorize a total budget for all contribution and expenditure activity by the corporation in a calendar year. The date and result of a vote required under this subdivision must be included in the shareholder report required by section 10A.205.

(b) As used in this subdivision, "shareholders" means, in the case of a corporation registered to do business in this state, all shareholders of the corporation residing in the state; in the case of a corporation incorporated in this state, all shareholders of the corporation; and in the case of a partnership registered to do business in this state, all partners.

Sec. 9. [211B.155] CORPORATE POLITICAL ACTIVITY; NOTIFICATION TO SHAREHOLDERS AND PUBLIC REPORT REQUIRED.

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

(1) "corporation" has the meaning provided in section 211B.15, subdivision 1; and

(2) "shareholders" has the meaning provided in section 211B.15, subdivision 4a.

Subd. 2. **Notification to shareholders.** (a) At least quarterly, a corporation that directly or indirectly makes a contribution or expenditure for political purposes must notify the corporation's shareholders in writing of the nature of its contribution and expenditure activity during the previous quarter. For purposes of this section, a corporation makes a contribution or expenditure if the contribution or expenditure is funded through its general corporate treasury, a separate segregated fund, or any other entity or account established and controlled by the corporation.

(b) A notification required by this section must contain:

(1) the date and amount of each contribution and expenditure;

(2) if the contribution or expenditure was made to support or oppose a candidate for public office, the office sought by the candidate, the candidate's political party affiliation, and whether the contribution or expenditure was made in support of, or in opposition to, the candidate;

(3) if the contribution or expenditure was made to support or oppose a ballot question, a description of the ballot question and whether the contribution or expenditure was made in support of, or in opposition to, the question;

(4) if the contribution or expenditure was made to advocate or raise awareness about a policy issue, the nature of the issue and the corporation's position on the issue;

(5) if applicable, the date and result of any shareholder votes required to be conducted under section 211B.15, subdivision 4a, and the amount and nature of activity authorized by the vote; and

(6) the name of any corporate officer directly advocating for or approving the corporation's involvement in support of or opposition to the candidate, ballot question, or policy issue.

(c) A corporation required to provide a notification to shareholders under this section must make a copy of the notification accessible on the corporation's Web site for at least one year following the date of the notification.

Subd. 3. **Public report.** A corporation required to provide a notification to shareholders under this section must provide a copy of the notification to the Campaign Finance and Public Disclosure Board, subject to the requirements and penalties provided in section 10A.025 for filing reports.

Subd. 4. **Penalty.** A corporation convicted of violating this section is subject to the penalties provided in section 211B.15, subdivision 7.

EFFECTIVE DATE. This section is effective June 1, 2018, and applies to contributions and expenditures made on or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 to 3 and insert "relating to state government; prohibiting exclusive representatives from requiring political contributions; prohibiting the state from facilitating payroll deductions for political purposes; requiring corporations to report to shareholders on political contributions or expenditures; requiring the Campaign Finance and Public Disclosure Board to audit shareholder notification reporting; requiring a shareholder vote for certain political contributions or expenditures; imposing civil penalties;"

Page 1, line 4, delete "for political purposes;"

Correct the title numbers accordingly

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3734, A bill for an act relating to human services; appropriating money for a grant to Olmsted Outreach for Project Legacy.

Reported the same back with the following amendments:

Page 1, line 7, delete "to Olmsted Outreach"

Amend the title as follows:

Page 1, line 2, delete "to Olmsted Outreach"

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3771, A bill for an act relating to state government; modifying the effective date of certain provisions governing the preparation of fiscal notes; modifying provisions governing the Legislative Budget Office; amending Minnesota Statutes 2016, sections 10A.01, subdivision 35; 13.64, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 3.8853, subdivisions 1, 2, by adding subdivisions; 3.98, subdivision 1; 477A.03, subdivision 2b; Laws 2017, First Special Session chapter 4, article 2, sections 1; 3; 58; repealing Minnesota Statutes 2017 Supplement, section 3.98, subdivision 4.

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

The report was adopted.

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

H. F. No. 3776, A bill for an act relating to transportation; creating a metropolitan congestion management component of the corridors of commerce program; reforming the metropolitan fiscal disparities program; providing for payments to the trunk highway fund; amending Minnesota Statutes 2016, sections 161.088, subdivision 1, by

adding subdivisions; 167.60; 473F.02, subdivisions 2, 4; 473F.06; 473F.07, subdivisions 1, 4, 5, by adding subdivisions; 473F.08, subdivision 2, by adding a subdivision; 477A.011, subdivision 20; Minnesota Statutes 2017 Supplement, sections 161.088, subdivision 5; 477A.0124, subdivision 2.

Reported the same back with the following amendments:

Page 3, line 28, delete "Department of" and insert "area specified in section 473F.02, subdivision 2;"

Page 3, delete line 29

Page 4, line 20, delete "local advisory committee" and insert "consultation"

Page 4, line 22, delete everything after "must" and insert "consult with representatives from counties, statutory and home rule charter cities, and towns throughout the metropolitan district."

Page 4, delete lines 23 to 26

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3778, A bill for an act relating to human services; modifying child care provisions related to families experiencing homelessness; amending Minnesota Statutes 2016, sections 119B.011, by adding a subdivision; 119B.03, subdivision 9; Minnesota Statutes 2017 Supplement, sections 119B.011, subdivision 20; 119B.025, subdivision 1; 119B.095, by adding a subdivision; 119B.13, subdivision 1.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3782, A bill for an act relating to human services; modifying provisions relating to discharge from civil commitment for persons committed as mentally ill and dangerous, sexually dangerous, or persons with a sexual psychopathic personality; amending Minnesota Statutes 2016, sections 253B.18, subdivision 15; 253D.31.

Reported the same back with the following amendments:

Page 1, line 19, delete everything after "dangerous."

Page 1, line 20, delete "person with a sexual psychopathic personality, and" and insert "including"

Page 1, line 21, after "unless" insert ", for such a pending petition."

Page 1, line 22, delete everything after "has" and insert "been issued."

Page 1, delete lines 23 and 24

Page 2, line 15, delete "mentally ill and dangerous." and delete the comma

Page 2, line 17, after "unless" insert ", for such a pending petition." and delete "the commissioner or"

Page 2, line 18, delete everything after "has" and insert "been issued."

Page 2, delete lines 19 and 20

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3790, A bill for an act relating to legislative enactments; making miscellaneous technical corrections to laws and statutes; correcting erroneous, obsolete, and omitted text and references; removing redundant, conflicting, and superseded provisions; amending Minnesota Statutes 2016, sections 5.36, subdivision 5; 6.80, subdivision 1; 13.46, subdivision 10; 13.4967, subdivision 2b; 13.6905, by adding subdivisions; 13.712, by adding a subdivision; 13.7191, by adding a subdivision; 13.851, by adding a subdivision; 13.871, subdivision 13; 28A.151, subdivision 5; 62N.40; 97A.475, subdivisions 3a, 4; 103E.011, subdivision 2; 116D.04, subdivision 5a; 116P.09, subdivision 4; 120B.232, subdivision 1a; 122A.14, subdivision 10; 122A.60, subdivision 2; 123A.36, subdivision 9; 123A.46, subdivisions 8, 10; 123A.48, subdivisions 2, 5; 124D.095, subdivision 8; 124D.52, subdivision 4; 125A.0942, subdivision 1; 125A.76, subdivision 1; 126C.10, subdivision 17; 128B.03, subdivision 3a; 144.651, subdivision 2; 144D.01, subdivision 4; 148.911; 152.01, subdivision 22; 152.021, subdivision 2a; 239.791, subdivision 12; 241.021, subdivision 4a; 244.05, subdivision 4; 245.462, subdivision 4; 245.735, subdivision 3; 245A.02, subdivisions 20, 21, 22; 245A.095, subdivision 2; 245A.10, subdivision 4; 245A.1443, subdivision 1; 245A.1444; 245F.02, subdivisions 3, 7; 245F.06, subdivision 2; 245F.15, subdivision 4; 252.021; 256B.0622, subdivision 7a; 256B.0625, subdivision 16; 256B.69, subdivision 5a; 256C.23, subdivision 1; 256I.03, subdivision 14; 256P.07, subdivision 7; 256R.04, subdivision 7; 268.069, subdivision 1; 268.085, subdivision 2; 268.101, subdivision 1; 268.186, subdivision 1; 290.068; 290.0921, subdivision 4; 290.92, subdivision 19; 290.923, subdivision 8; 290C.12; 290C.13, subdivision 7; 291.03, subdivision 8; 296A.24, subdivision 2; 297A.91, subdivision 2; 297E.16, subdivision 2; 297F.06, subdivision 1; 297F.21, subdivision 3; 297G.20, subdivision 4; 299A.706; 326B.988; 327.665, subdivision 2; 336.9-513; 398.19; 471.16, subdivision 1; 477A.013, subdivision 13; 508A.17, subdivision 1; 518A.39, subdivision 2; 609.11, subdivision 9; 609A.02, subdivision 3; Minnesota Statutes 2017 Supplement, sections 62I.02, subdivision 5; 84D.03, subdivision 3; 97C.355, subdivision 2; 120B.12, subdivision 2; 120B.234, subdivision 2; 122A.09, subdivisions 7, 9; 122A.14, subdivision 1; 122A.40, subdivision 8; 122A.41, subdivision 5; 124D.68, subdivision 2; 124D.99, subdivision 4; 124E.11; 136A.653, subdivision 1; 181A.04, subdivision 6; 245G.15, subdivision 1; 254A.03, subdivision 1; 254B.05, subdivisions 1a, 5; 256B.051, subdivision 2; 256B.0915, subdivision 1; 256B.0949, subdivision 13; 256B.25, subdivision 3; 256B.76, subdivision 1; 256B.761; 256C.261; 256D.44, subdivision 2; 256E.30, subdivision 2; 256I.04, subdivision 3; 256N.261, subdivision 1; 260B.050; 270.071, subdivision 7a; 270.074, subdivision 1; 272.02, subdivision 10; 273.372, subdivision 2; 290.01, subdivision 31; 290.067, subdivision 1; 290.081; 291.03, subdivision 11; 297A.71, subdivision 44; 341.25; 477A.011, subdivision 34; 477A.013, subdivision 1; Laws 2017, chapter 94, article 3, section 11; article 6, section 27; Laws 2017, First Special Session chapter 5, article 11, sections 8, subdivision 1; 10, subdivision 2; repealing

Minnesota Statutes 2016, sections 124D.8957, subdivision 24; 256.9657, subdivision 1c; 256.9692; 290.067, subdivision 2a; 298.402; Laws 2009, chapter 37, article 3, section 4; Laws 2013, chapter 84, article 1, sections 25; 30; Laws 2014, chapter 199, sections 18; 19; 20; Laws 2014, chapter 222, article 2, sections 3; 8; 9; Laws 2014, chapter 286, article 8, section 19.

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

The report was adopted.

Scott from the Committee on Civil Law and Data Practices Policy to which was referred:

H. F. No. 3795, A bill for an act relating to transportation; authorizing data sharing between the Department of Human Services and the Metropolitan Council for special transportation purposes; extending the Metro Mobility service area; amending Minnesota Statutes 2016, sections 13.72, subdivision 10; 473.386, subdivision 3; Minnesota Statutes 2017 Supplement, section 13.46, subdivision 2.

Reported the same back with the following amendments:

Page 6, delete lines 19 to 27

Page 7, line 14, before the period, insert "under section 473.386"

Page 7, delete lines 15 to 23

Page 8, after line 26, insert:

"Sec. 4. Minnesota Statutes 2016, section 473.386, is amended by adding a subdivision to read:

Subd. 9. **Data practices.** (a) For purposes of administering this section, and only with the consent of the data subject, the commissioner of human services and the Metropolitan Council may share the following private data on individuals eligible for special transportation services:

(1) name;

(2) date of birth;

(3) residential address; and

(4) program eligibility status with expiration date for the purposes of informing the other party of program eligibility.

(b) The commissioner of human services and the Metropolitan Council must provide notice to each individual using or seeking to use special transportation services. The notice must seek consent to engage in data sharing under paragraph (a), and must state how and for what purposes the individual's data will be shared between the Department of Human Services and the Metropolitan Council.

EFFECTIVE DATE. This section is effective the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Correct the title numbers accordingly

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3799, A bill for an act relating to commerce; regulating fraternal benefit societies; amending Minnesota Statutes 2016, sections 64B.19, subdivision 4a; 64B.43.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 60B.03, subdivision 15, is amended to read:

Subd. 15. **Insolvency or insolvent.** "Insolvency" or "insolvent" means:

(a) For an insurer organized under sections 67A.01 to 67A.26, the inability to pay any uncontested debt as it becomes due.

(b) For purposes of a liquidation under section 64B.435, subdivision 3, a fraternal authorized control level event under circumstances the commissioner determines will not be promptly remedied pursuant to the plan submitted under section 64B.435, subdivision 2, a society's inability to pay its debts or meet its obligations as they mature, or that a society's assets do not exceed its liabilities plus the greater of any surplus required by law to be constantly maintained.

~~(b)~~ (c) For any other insurer, that it is unable to pay its debts or meet its obligations as they mature or that its assets do not exceed its liabilities plus the greater of (1) any capital and surplus required by law to be constantly maintained, or (2) its authorized and issued capital stock. For purposes of this subdivision, "assets" includes one-half of the maximum total assessment liability of the policyholders of the insurer, and "liabilities" includes reserves required by law. For policies issued on the basis of unlimited assessment liability, the maximum total liability, for purposes of determining solvency only, shall be deemed to be that amount that could be obtained if there were 100 percent collection of an assessment at the rate of ten mills per dollar of insurance written by it and in force.

Sec. 2. Minnesota Statutes 2016, section 64B.19, subdivision 4a, is amended to read:

Subd. 4a. **Notice of extra assessments.** In the event that a society intends to make extra assessments, as provided in subdivision 4, it shall provide notice of the assessments it plans to make to the commissioner, and to the ~~commissioner~~ insurance regulator of its state of domicile if it is a foreign society, at least 90 days before the effective date of the assessments. Within 60 days of filing, the commissioner may disapprove the assessment of a domestic society if the assessment was not duly adopted, is not in the best interests of the benefit members, or does not materially improve the long-term viability of the society. The commissioner may approve an earlier effective date for the assessment.

Sec. 3. Minnesota Statutes 2016, section 64B.43, is amended to read:

64B.43 FRATERNAL AUTHORIZED CONTROL LEVEL EVENT; FOREIGN SOCIETIES.

Subdivision 1. ~~Definition~~ **Definitions.** For purposes of this section, the terms in this subdivision have the meanings given.

(a) "Fraternal authorized control level event" means any of the following events:

(1) the filing of a risk-based capital report by the society that indicates that the society's total adjusted capital is less than its fraternal authorized control level risk-based capital;

(2) the notification by the commissioner to the society of an adjusted risk-based capital report that indicates the event in clause (1), provided the society does not challenge the adjusted risk-based capital report under section 64B.44;

(3) if, pursuant to section 64B.44, the society challenges an adjusted risk-based capital report that indicates the event in clause (1), notification by the commissioner to the society that the commissioner has, after a hearing, rejected the society's challenge;

(4) the failure of the society to respond, in a manner satisfactory to the commissioner, to a corrective order, provided the society has not challenged the corrective order under section 64B.44;

(5) if the society has challenged a corrective order under section 64B.44 and the commissioner has, after a hearing, rejected the challenge or modified the corrective order, the failure of the society to respond, in a manner satisfactory to the commissioner, to the corrective order subsequent to rejection or modification by the commissioner;

(6) the failure of the society to submit a risk-based capital plan to the commissioner within the time period in section 64B.42;

(7) notification by the commissioner to the society that:

(i) the risk-based capital plan or revised risk-based capital plan submitted by the society is, in the judgment of the commissioner, unsatisfactory; and

(ii) the society has not challenged the determination under section 64B.44;

(8) if, pursuant to section 64B.44, the society challenges a determination by the commissioner under the notification by the commissioner to the society that the commissioner has, after a hearing, rejected the challenge;

(9) notification by the commissioner to the society that the society has failed to adhere to its risk-based capital plan or revised risk-based capital plan, but only if the failure has a substantial adverse effect on the ability of the society to eliminate the fraternal action level event according to its risk-based capital plan or revised risk-based capital plan and the commissioner has so stated in the notification, provided the society has not challenged the determination under section 64B.44; or

(10) if, pursuant to section 64B.44, the society challenges a determination by the commissioner under clause (9), the notification by the commissioner to the society that the commissioner has, after a hearing, rejected the challenge.

(b) "Society" means a foreign fraternal benefit society not organized or operated under the laws of this state.

Subd. 2. **Commissioner's duties.** In the event of a fraternal authorized control level event with respect to a society, the commissioner shall:

(1) take the actions required under section 64B.42 regarding a society with respect to which a fraternal action level event has occurred; or

(2) if the commissioner considers it to be in the best interests of the certificate holders of the society, require the society to take one or more of the following actions:

(i) merge or otherwise consolidate with another willing authorized society;

(ii) cede any individual risk or risks, in whole or in part, to a willing society or life insurer;

(iii) suspend the issuance of new business; and

(iv) discontinue its insurance operations; or

(3) take the actions necessary to cause the society to be placed under regulatory control under chapter 60B. In the event the commissioner takes these actions, the fraternal authorized control level event is considered sufficient grounds for the commissioner to take action under chapter 60B, and the commissioner has the rights, powers, and duties with respect to the society set forth in chapter 60B. In the event the commissioner takes actions under this clause pursuant to an adjusted risk-based capital report, the society is entitled to the protections afforded to societies under section 60B.11 pertaining to summary proceedings.

Sec. 4. **[64B.435] FRATERNAL AUTHORIZED CONTROL LEVEL EVENT; DOMESTIC SOCIETIES.**

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

(b) "Fraternal authorized control level event" means any of the following events:

(1) the filing of a risk-based capital report by the society that indicates that the society's total adjusted capital is less than its fraternal authorized control level risk-based capital;

(2) the notification by the commissioner to the society of an adjusted risk-based capital report that indicates the event in clause (1), provided the society does not challenge the adjusted risk-based capital report under section 64B.44;

(3) if, pursuant to section 64B.44, the society challenges an adjusted risk-based capital report that indicates the event in clause (1), notification by the commissioner to the society that the commissioner has, after a hearing, rejected the society's challenge;

(4) the failure of the society to respond, in a manner satisfactory to the commissioner, to a corrective order, provided the society has not challenged the corrective order under section 64B.44;

(5) if the society has challenged a corrective order under section 64B.44 and the commissioner has, after a hearing, rejected the challenge or modified the corrective order, the failure of the society to respond, in a manner satisfactory to the commissioner, to the corrective order subsequent to rejection or modification by the commissioner;

(6) the failure of the society to submit a risk-based capital plan to the commissioner within the time period in section 64B.42;

(7) notification by the commissioner to the society that:

(i) the risk-based capital plan or revised risk-based capital plan submitted by the society is, in the judgment of the commissioner, unsatisfactory; and

(ii) the society has not challenged the determination under section 64B.44;

(8) if, pursuant to section 64B.44, the society challenges a determination by the commissioner under the notification by the commissioner to the society that the commissioner has, after a hearing, rejected the challenge;

(9) notification by the commissioner to the society that the society has failed to adhere to its risk-based capital plan or revised risk-based capital plan, but only if the failure has a substantial adverse effect on the ability of the society to eliminate the fraternal authorized control level event according to its risk-based capital plan or revised risk-based capital plan and the commissioner has so stated in the notification, provided the society has not challenged the determination under section 64B.44; or

(10) if, pursuant to section 64B.44, the society challenges a determination by the commissioner under clause (9), the notification by the commissioner to the society that the commissioner has, after a hearing, rejected the challenge.

(c) "Qualifying society" means a fraternal benefit society, whether foreign or domestic, that has the financial strength and administrative capability to accept a transfer of certificates under the provisions of subdivision 2 and is domiciled in a state accredited by the NAIC.

(d) "Society" means a domestic fraternal benefit society organized and operated under the laws of this state.

Subd. 2. Plan to transfer members. (a) Within 60 days of a fraternal authorized control level event with respect to a society, the society shall present to the commissioner a plan to protect the interests of its members. The plan shall include transferring all members, certificates, policies, and related assets and liabilities of the society, together with any other assets and liabilities the society desires to transfer, to another firm, corporation, or organization through merger, consolidation, assumption, or other means. Any transfer shall constitute a novation of the transferring society's certificates or policies effective upon the date of transfer. The commissioner shall review the plan within 30 days of its submission and may approve the plan within that time frame if the plan provides sound financial security for the payment of obligations arising under the certificates and policies of the society and is otherwise in the best interest of the members.

(b) The transfer shall be:

(1) concluded within the time frame established by the commissioner, which shall not exceed 90 days;

(2) approved by the society upon majority vote of its board of directors prior to the submission of the plan to the commissioner; and

(3) effective notwithstanding the provisions of section 64B.14 or any other requirement of statute or rule or the laws of the society requiring another form of notice to members or approval by the supreme governing body. Any notice to or approval of a transfer required by the laws of the society or statute or rule shall be suspended by this subdivision.

(c) In the event of a transfer under this subdivision to a firm, corporation, or organization that does not have a certificate of authority to transact insurance in this state, a limited certificate of authority may be issued upon application to the commissioner if the firm, corporation, or organization is authorized to transact insurance by and is domiciled in a state accredited by the National Association of Insurance Commissioners. Within 30 days of application, a limited certificate of authority may be issued if the commissioner determines that the applicant has sufficient financial strength and servicing capabilities to satisfy the obligations arising under the transferring society's certificates and policies. The limited certificate of authority shall authorize the firm, corporation, or organization to service the certificates and policies resulting from a transfer, including issuing any amendments or revisions requested by the holder of the policy and certificate and to fulfill all obligations arising under the policy or certificate, but not to otherwise transact insurance in this state.

(d) Upon the effective date of a transfer to a firm, corporation, or organization that is not a domestic or foreign society and in consideration for that transfer, each member of the society shall be deemed to agree that any terms of a certificate subjecting the certificate to the laws of the society or providing rights or obligations of membership, except to the extent of any outstanding lien not released by the terms of the transfer, shall be null and void and the assuming firm, corporation, or organization shall endorse the certificates accordingly.

(e) The board of directors of a society may suspend or modify its qualifications for membership as necessary or appropriate to facilitate a transfer under this subdivision, notwithstanding the laws of the society or any statute or rule to the contrary. Notwithstanding any statute or rule to the contrary, no notice to members or approval by the supreme governing body shall be required if a society has a fraternal authorized control level event and a transfer is approved by the commissioner pursuant to this subdivision. Each society shall amend their laws to permit the transactions contemplated by this subdivision, including suspending any provisions requiring any notice to members or approval of the supreme governing body with respect to the transfer of its certificates and policies, if the society has a fraternal authorized control level event and the transfer is approved by the commissioner.

Subd. 3. Liquidation. (a) In the event of a fraternal authorized control level event under circumstances the commissioner determines will not be promptly remedied pursuant to the authorization provided in subdivision 2, or in the event that there are any grounds under section 60B.20 to commence a liquidation, the commissioner may issue an order declaring the society to be in hazardous financial condition and initiate proceedings pursuant to this subdivision. For purposes of a proceeding commenced pursuant to this subdivision, rehabilitation under section 60B.15 shall be presumed to be futile and serve no useful purpose, unless the society can establish by clear and convincing evidence or the commissioner reasonably believes that rehabilitation has a high probability of returning the society to long-term viability.

(b) A liquidation proceeding under this subdivision shall be governed by chapter 60B, except to the extent the provisions of chapter 60B are in conflict or inconsistent with any provisions in this chapter. Notwithstanding the application of chapter 60B, the following sections shall not apply to the liquidation of a society: 60B.04, subdivision 2; 60B.39, subdivision 6; 60B.40; and 60B.46, subdivisions 3 and 4, clauses (3), (4), and (5), and subdivisions 5 and 6, unless the commissioner determines to proceed with rehabilitation under paragraph (a). Section 60B.18 shall apply to any proceeding under this subdivision and shall vest the authority of the rehabilitator in the liquidator, unless the commissioner determines to proceed with rehabilitation under paragraph (a).

(c) Notwithstanding section 60B.35, no assessment levied under section 64B.19 is permissible after a petition for liquidation is filed for the benefit of any creditor other than those creditors described in section 60B.44, subdivisions 2 and 4.

(d) Pursuant to section 60B.25, clause (8), the commissioner shall attempt to transfer by way of assignment, assumption, or other means the certificates of the liquidating society to another qualified society, whether domestic or foreign, or, if no qualified society will accept such a transfer, to a firm, corporation, or organization authorized to transact life insurance in this state. No society shall be obligated to accept such a transfer. Upon the effective date

of a transfer to a firm, corporation, or organization that is not a fraternal benefit society and in consideration of that transfer, each member of the society shall be deemed to agree that any terms of a certificate subjecting the certificate to the laws of the society or rights or obligations of membership shall be null and void except to the extent of any outstanding lien that has not been terminated in the liquidation. The assuming firm, corporation, or organization shall endorse the certificate accordingly. Any transfer pursuant to this clause shall constitute a novation of the transferring society's certificates effective upon the date of transfer.

(e) Liquidation proceedings for a society shall be conducted consistent with the purposes of section 60B.01, subdivision 4, paragraph (c), in a manner designed to conserve assets and to limit expenses of the liquidation under section 60B.44, subdivision 2."

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3806, A bill for an act relating to campaign finance; modifying the state elections campaign account; expanding access to the public subsidy program; eliminating political party designations on state income and property tax return forms; amending Minnesota Statutes 2016, sections 10A.31, subdivisions 1, 3, 4, 5, 7, 10, 10b; 10A.315; 10A.321, subdivision 1; 290.06, subdivision 23; repealing Minnesota Statutes 2016, sections 10A.30, subdivision 2; 10A.31, subdivisions 3a, 5a, 6, 6a; Minnesota Statutes 2017 Supplement, section 10A.323.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3819, A bill for an act relating to local government; discontinuing Ramsey Soil and Water Conservation District; transferring duties; proposing coding for new law in Minnesota Statutes, chapter 383A.

Reported the same back with the following amendments:

Page 2, after line 6, insert:

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

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3820, A bill for an act relating to health; establishing a grant program to support implementation of electronic prescribing for controlled substances; authorizing the commissioner of health to provide technical assistance and education regarding electronic prescribing; amending Minnesota Statutes 2016, section 62J.497, by adding subdivisions.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 3825, A bill for an act relating to health licensing; converting allied health professions to a birth month renewal cycle; making technical corrections; amending Minnesota Statutes 2016, sections 147.012; 147.02, by adding a subdivision; 147A.06; 147A.07; 147B.02, subdivision 9, by adding a subdivision; 147C.15, subdivision 7, by adding a subdivision; 147D.17, subdivision 6, by adding a subdivision; 147D.27, by adding a subdivision; 147E.15, subdivision 5, by adding a subdivision; 147E.40, subdivision 1; 147F.07, subdivision 5, by adding subdivisions; 147F.17, subdivision 1; 148.7815, subdivision 1; Minnesota Statutes 2017 Supplement, sections 147.01, subdivision 7; 147A.28; 147B.08; 147C.40; proposing coding for new law in Minnesota Statutes, chapters 147A; 147B; 147C; 147D; 147E; 147F; repealing Minnesota Rules, part 5600.0605, subparts 5, 8.

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 3836, A bill for an act relating to natural resources; modifying conditions for agricultural best management practice loans to include environmental service providers; modifying drainage law to accelerate ditch buffer strip implementation; amending Minnesota Statutes 2016, sections 17.117, subdivisions 1, 4, 11; 103E.021, subdivision 6; 103E.071; 103E.351, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"ARTICLE 1
ACCELERATED BUFFER STRIP IMPLEMENTATION"

Page 1, line 11, strike "rural"

Page 2, line 12, strike "or a rural" and insert "a" and after "landowner" insert ", or an approved environmental service provider"

Page 2, line 18, strike the colon

Page 2, line 19, strike "(1)" and strike "; and"

Page 2, line 20, strike everything before the period

Page 3, after line 6, insert:

"(n) "Landowner" means the owner of record of Minnesota real estate on which the project is located."

Page 3, line 7, delete "(n)" and insert "(o)"

Page 3, line 9, delete "(o)" and insert "(p)"

Page 3, line 12, delete "(p)" and insert "(q)" and strike "(n)" and insert "(p)" and after the comma, insert "a local municipality or county with taxing or special assessment authority, a watershed district, a drainage authority, a township."

Page 3, line 16, delete "(q)" and insert "(r)"

Page 3, line 20, delete "(r)" and insert "(s)"

Page 3, line 21, delete "(s)" and insert "(t)"

Page 3, line 23, delete "(t)" and insert "(u)"

Page 3, lines 26 to 29, delete the new language and strike the old language

Page 6, after line 27, insert:

"ARTICLE 2
ACCELERATED RUNOFF AND SEDIMENT DELIVERY OPTION

Section 1. Minnesota Statutes 2016, section 103E.005, is amended by adding a subdivision to read:

Subd. 27a. **Relative runoff.** "Relative runoff" includes the surface and subsurface runoff potential from a specific property compared on an equitable basis to all other properties contributing runoff to the drainage system.

Sec. 2. Minnesota Statutes 2016, section 103E.005, is amended by adding a subdivision to read:

Subd. 27b. **Relative sediment delivery.** "Relative sediment delivery" means the sediment delivery potential from a specific property compared on an equitable basis to all other properties contributing runoff to the drainage system.

Sec. 3. Minnesota Statutes 2016, section 103E.095, is amended to read:

103E.095 APPEAL FROM ORDERS OF AN ORDER DISMISSING OR ESTABLISHING A DRAINAGE SYSTEMS PROJECT, OR OF A REPAIR COST APPORTIONMENT REPORT.

Subdivision 1. **Notice of appeal.** A party may appeal an order made by the board that dismisses drainage project proceedings ~~or~~ establishes ~~or refuses to establish~~ a drainage project, or approves a repair cost apportionment report to the district court of the county where the drainage proceedings or drainage system repair are pending. The appellant must serve notice of the appeal to the auditor or secretary within 30 days after the order is filed. ~~After notice of the appeal is served, the appeal may be brought to trial by the appellant or the drainage authority after notifying the other party at least ten days before the trial date.~~

Subd. 2. **Trial.** The appeal must be tried by the court without a jury. The court shall examine the entire drainage proceeding and related matters and receive evidence to determine whether the findings made by the board can be sustained. At the trial the findings made by the board are prima facie evidence of the matters stated in the findings, and the board's order is prima facie reasonable. If the court finds that the order appealed is lawful and reasonable, it shall be affirmed. If the court finds that the order appealed is arbitrary, unlawful, or not supported by the evidence, it shall make an order, justified by the court record, to take the place of the appealed order or repair cost apportionment report, or remand the order or report to the board for further proceedings. After the appeal has been determined by the court, the board shall proceed in conformity with the court order.

Subd. 3. **Determination of benefits and damages after court order.** If the order establishing a drainage project is appealed, the trial of appeals related to benefits or damages in the drainage proceeding must be stayed until the establishment appeal is determined. If the order establishing the drainage project is affirmed, appeals related to benefits and damages must then be tried.

Subd. 4. **Procedure if appeal order establishes drainage project.** If an order refusing to establish a drainage project is appealed, and the court, by order, establishes the drainage project, the auditor shall give notice by publication of the filed order. The notice is sufficient if it refers to the drainage project or system by number or other descriptive designation, states the meaning of the order, and states the date the court order was filed. A person may appeal the establishment order to the district court as provided in this section.

Subd. 5. **Appeal of appellate order.** A party aggrieved by a final order or judgment rendered on appeal to the district court may appeal as in other civil cases. The appeal must be made and perfected within 30 days after the filing of the order or entry of judgment.

Sec. 4. Minnesota Statutes 2016, section 103E.215, subdivision 5, is amended to read:

Subd. 5. **Subsequent proceedings.** When a petition and the bond required by section 103E.202 are filed, the auditor shall present the petition to the board at its next meeting or, for a joint county drainage system, to the joint county drainage authority within ten days after the petition is filed. The drainage authority shall appoint an engineer to examine the drainage system and make an improvement report. The improvement proceedings must be conducted under this chapter as provided for the original proceedings for the establishment of a drainage project. The benefits and damages determined must be as a result of the proposed improvement. ~~Assessments for the repair of the improvement must be based on the benefits determined for the improvement.~~

Sec. 5. Minnesota Statutes 2016, section 103E.401, subdivision 4, is amended to read:

Subd. 4. **Hearing.** At the hearing the drainage authority shall consider the capacity of the outlet drainage system. If express authority is given to use the drainage system as an outlet, the drainage authority shall state, by order, the terms and conditions for use of the established drainage system as an outlet and shall set the amount to be paid as an outlet fee. The order must describe the property to be benefited by the drainage system and must state the amount of benefits to the property for the outlet. The property benefited is liable for repair assessments levied after that time in the drainage system, ~~on the basis of the benefits as if the benefits had been determined in the order establishing the drainage system~~ in accordance with section 103E.728.

Sec. 6. Minnesota Statutes 2016, section 103E.411, subdivision 5, is amended to read:

Subd. 5. **Benefits and assessments if drainage system established.** If the drainage system is established, the drainage authority must determine the amount the municipality must pay for the privilege of using the drainage system as an outlet. The amount must be paid to the ~~affected counties~~ drainage authority and credited to the account of the drainage system used as an outlet. The municipality is liable for all subsequent liens and assessments for the repair and maintenance of the drainage system ~~in proportion to the benefits, as though the benefits were determined in the order establishing the drainage system~~ in accordance with section 103E.728.

Sec. 7. Minnesota Statutes 2016, section 103E.615, subdivision 1, is amended to read:

Subdivision 1. **Municipalities.** Assessments filed ~~for benefits~~ to a municipality are a liability of the municipality and are due and payable with interest in installments on November 1 of each year as provided in section 103E.611. If the installments and interest are not paid on or before November 1, the amount due with interest added as provided in section 103E.611 must be extended by the county auditor against all property in the municipality that is liable to taxation. A levy must be made and the amount due must be paid and collected in the same manner and time as other taxes.

Sec. 8. Minnesota Statutes 2016, section 103E.615, subdivision 2, is amended to read:

Subd. 2. **County or state-aid road.** If a public road ~~benefited~~ assessed is a county or state-aid road, the assessment filed is against the county and must be paid out of the road and bridge fund of the county.

Sec. 9. Minnesota Statutes 2016, section 103E.615, subdivision 3, is amended to read:

Subd. 3. **State trunk highway.** An assessment against the state ~~for benefits~~ to trunk highways is chargeable to and payable out of the trunk highway fund. The commissioner of transportation shall pay assessments from the trunk highway fund after receipt of a certified copy of the assessment against the state ~~for benefits~~ to a trunk highway.

Sec. 10. Minnesota Statutes 2016, section 103E.615, subdivision 5, is amended to read:

Subd. 5. **State property.** State property, including rural credit property, is assessable for benefits received, or repair costs in accordance with section 103E.728. The assessment must be paid by the state from funds appropriated and available for drainage assessments after the state officer having jurisdiction over the assessed property certifies the assessment to the commissioner of management and budget.

Sec. 11. Minnesota Statutes 2016, section 103E.615, subdivision 7, is amended to read:

Subd. 7. **Railroad and utility property.** Property owned by a railroad or other utility corporation benefited by a drainage project is liable for the assessments ~~of~~ for benefits on the property, and for repair costs apportioned in accordance with section 103E.728, as other taxable property. From the date the drainage lien is recorded, the amount of the assessment with interest is a lien against all property of the corporation within the county. Upon default the assessment may be collected by civil action or the drainage lien may be foreclosed by action in the same manner as provided by law for the foreclosure of mortgage liens. The county where the drainage lien is filed has the right of action against the corporation to enforce and collect the assessment.

Sec. 12. Minnesota Statutes 2016, section 103E.711, subdivision 1, is amended to read:

Subdivision 1. **Repair cost statement.** For a joint county drainage system the auditor of a county that has made repairs may present a repair cost statement at the end of each year, or other convenient period after completion, to each affected county. The repair cost statement must show the nature and cost of the repairs to the drainage system and must be ~~based on the original apportionment of cost following the establishment of the drainage system~~ apportioned in accordance with section 103E.728. If a board approves the repair costs, the amount of the statement must be paid to the county submitting the statement.

Sec. 13. Minnesota Statutes 2016, section 103E.715, subdivision 4, is amended to read:

Subd. 4. **Hearing on repair report.** (a) The drainage authority shall make findings and order the repair to be made if:

(1) the drainage authority determines from the repair report and the evidence presented that the repairs recommended are necessary for the best interests of the affected property owners; or

(2) the repair petition is signed by the owners of at least 26 percent of the property area affected by and assessed for ~~the original construction benefits~~ of the drainage system, and the drainage authority determines that the drainage system is in need of repair so that it no longer serves its ~~original~~ purpose and the cost of the repair will not exceed the total benefits ~~determined in the original drainage system proceeding of record for the drainage system.~~

(b) The order must direct the auditor and the chair of the board or, for a joint county drainage system, the auditors of the affected counties to proceed and prepare and award a contract for the repair of the drainage system. The contract must be for the repair described in the repair report and as determined necessary by the drainage authority, and be prepared in the manner provided in this chapter ~~for the original drainage system construction.~~

Sec. 14. Minnesota Statutes 2016, section 103E.715, subdivision 5, is amended to read:

Subd. 5. **Apportionment of repair cost for joint county drainage system.** For the repair of a joint county drainage system, the drainage authority shall, by order, apportion the repair cost among affected counties in ~~the same manner required in the original construction of the drainage system~~ accordance with section 103E.728.

Sec. 15. Minnesota Statutes 2016, section 103E.725, is amended to read:

103E.725 COST OF REPAIR.

All fees and costs incurred for proceedings relating to the repair of a drainage system, including inspections, engineering, viewing, determination and administration of repair cost apportionment, hearings, and publications, as applicable, are costs of the repair ~~and must be assessed against the property and entities benefited.~~

Sec. 16. Minnesota Statutes 2016, section 103E.728, subdivision 1, is amended to read:

Subdivision 1. **Generally.** Except as otherwise provided in this section, the cost of repairing a drainage system shall be apportioned;

(1) pro rata on all property and entities that have been assessed benefits for the drainage system ~~except as provided in this section~~ based on an applicable confirmed viewer's report of benefits and damages; or

(2) on all property contributing runoff to the drainage system, based on relative runoff and relative sediment delivery in an approved repair cost apportionment report, in accordance with subdivision 1a.

Repair costs apportioned using the method in clause (2) are charges for property contributing runoff to the drainage system that shall be considered repair cost assessments in this chapter.

Sec. 17. Minnesota Statutes 2016, section 103E.728, is amended by adding a subdivision to read:

Subd. 1a. **Relative runoff and relative sediment delivery method for repair cost apportionment.** (a) When the drainage authority has determined that a drainage system repair is necessary, the drainage authority may apportion costs for the repair of a drainage system based on relative runoff and relative sediment delivery from any property, public road, street, railway, or other utility contributing runoff to the drainage system as provided in this subdivision. If this cost apportionment method is used, costs must be determined prior to ordering the repair of all or any part of a drainage system as provided in section 103E.705, subdivision 3, or 103E.715, subdivision 4, or prior to levying a repair fund assessment as provided in section 103E.735, subdivision 1.

(b) The drainage authority shall appoint one or more persons qualified to use geographic information system technology and applicable digital information, including but not limited to conditioned topographic data, soils and land use data, and property, road, and utility corridor identification data, together with appropriate on-site verification, to equitably apportion repair costs.

(c) The person or persons conducting the cost apportionment shall file a repair cost apportionment report with the drainage authority explaining in nontechnical language the method, data, and interpretations used, and the cost apportionment results. The report shall present data and results in a format so that individual property owners, political subdivisions, and utilities can clearly examine the information applicable to their property, public road, street, railway, or other utility, including for each parcel having a separate property identification number.

(d) When a repair cost apportionment report is filed, the drainage authority, in consultation with the auditor or secretary, shall set a time, by order, for a hearing on the report not more than 30 days after the date of the order. At least 20 days before the hearing, the auditor or secretary shall give notice by mail of the time and location of the hearing to the owners of property, political subdivisions, and utilities proposed to be assessed in the report. The notice of hearing must include a copy of the portion of the report explaining in nontechnical language the method, data, and interpretations used, the cost apportionment results applicable to the property owner, political subdivision, or utility receiving notice, and a statement of the location where the entire repair cost apportionment report has been filed for public inspection.

(e) At the hearing, the drainage authority shall hear and consider the testimony presented by all interested parties. At least one person responsible for preparing the repair cost apportionment report shall be present at the initial hearing.

(f) If the drainage authority determines that the apportionment of costs is not equitable, the drainage authority may amend the repair cost apportionment report and shall make necessary and proper findings and an order in relation to the report, or resubmit matters to the preparer of the repair cost apportionment report for further consideration. If matters are resubmitted, the hearing may be continued as necessary to make and hear an amended report. The report preparer shall proceed promptly to reconsider resubmitted matters and shall make and file an amended report. The drainage authority may replace the original report with the amended report for apportionment of repair costs and make necessary and proper findings and an order to approve the amended report. The jurisdiction of the drainage authority continues in the property given proper notice, and new or additional notice is not required for that property.

(g) After consideration of the repair cost apportionment report, any amended report, and all evidence presented, the drainage authority shall make findings, approve the report, and apportion repair costs consistent with the values in the repair cost apportionment report if it finds that the cost apportionment is equitable based on:

(1) the weighting of relative runoff and relative sediment delivery is appropriate for the type of repair;

(2) the data inputs are reliable; and

(3) the computation method is reliable.

(h) The drainage authority may continue to apportion repair costs consistent with the values in the repair cost apportionment report of record. After a repair cost apportionment report has been approved under this subdivision, an owner of property, a political subdivision, or a utility assessed in the repair cost apportionment report of record may request in writing that the drainage authority update the report based on changed land use. The request shall be filed with the auditor of the county where the property is located or the secretary. Prior to the next approval by the drainage authority of a repair cost assessment for the drainage system, the drainage authority shall determine if the repair cost apportionment report of record reasonably reflects current land use, relative runoff, and relative sediment

delivery. If it does not, the drainage authority shall make findings and shall appoint one or more persons to prepare and file an updated repair cost apportionment report for the drainage system in accordance with paragraphs (c), (d), (e), (f), and (g).

(i) Proper consideration must be given to property that is used for conservation that prohibits development or land use change by ownership, deed restriction, or conservation easement, or is enrolled in a program that prohibits agricultural crop production.

(j) The owner of any property subject to cost apportionment listed in the adopted repair cost apportionment report may appeal findings of the drainage authority under paragraph (g) as provided in section 103E.095.

Sec. 18. Minnesota Statutes 2016, section 103E.728, subdivision 2, is amended to read:

Subd. 2. **Additional assessment for agricultural practices on permanent strip of perennial vegetation.** (a) The drainage authority may, after notice and hearing, charge an additional assessment on property that has agricultural practices on or otherwise violates provisions related to the permanent strip of perennial vegetation acquired under section 103E.021.

(b) The drainage authority may determine the cost of the repair per mile of open ditch on the ditch system. Property that is in violation of the ~~grass~~ section 103E.021 perennial buffer strip requirement shall be assessed a an additional cost of 20 percent of the repair cost per open ditch mile multiplied by the length of open ditch in miles on the property in violation.

(c) After the amount of the additional assessment is determined and applied to the repair cost, the balance of the repair cost may be apportioned ~~pro rata~~ as provided in subdivision 1.

Sec. 19. Minnesota Statutes 2016, section 103E.731, subdivision 1, is amended to read:

Subdivision 1. **Repair cost of assessments.** If there is not enough money in the drainage system account to make a repair, the board shall assess the costs of the repairs ~~on all property and entities that have been assessed benefits for the drainage system in accordance with section 103E.728.~~

Sec. 20. Minnesota Statutes 2016, section 103E.731, subdivision 2, is amended to read:

Subd. 2. **Number of installments.** The assessments may be paid in up to 15 annual installments specified in the assessment order. ~~If the assessments are not more than 50 percent of the original cost of the drainage system, the installments may not exceed ten. If the assessments are greater than 50 percent of the original cost of the drainage system, the board may order the assessments to be paid in 15 or less installments.~~

Sec. 21. Minnesota Statutes 2016, section 103E.731, subdivision 6, is amended to read:

Subd. 6. **Repair of state drainage system when no benefits assessed.** For the repair of a drainage system established by the state where benefits were not assessed to the property, the drainage authority shall ~~proceed to appoint viewers to determine the benefits resulting from the repair~~ apportion repair costs in accordance with section 103E.728, and collect assessments for the repair as provided in this chapter.

Sec. 22. Minnesota Statutes 2016, section 103E.735, subdivision 1, is amended to read:

Subdivision 1. **Authority and limits of fund.** To create or maintain a repair fund for a drainage system to be used only for repairs, the drainage authority may apportion and assess an amount ~~against all property and entities assessed for benefits in proceedings for establishment of the drainage system, including property not originally~~

~~assessed and subsequently found to be benefited according to law in accordance with section 103E.728.~~ The fund may not exceed 20 percent of the assessed benefits of the drainage system or \$100,000, whichever is greater. If the account in a fund for a drainage system exceeds the larger of 20 percent of the assessed benefits of the drainage system or \$100,000, assessments for the fund may not be made until the account is less than the larger of 20 percent of the assessed benefits or \$100,000. ~~Assessments must be made pro rata according to the determined benefits.~~ Assessments may be made payable, by order, in equal annual installments. The auditor shall file a tabular statement as provided in section 103E.731, subdivision 4, with the county recorder. Assessments must be collected as provided in section 103E.731."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "providing a runoff and sediment delivery option for repair charges;"

Correct the title numbers accordingly

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3837, A bill for an act relating to campaign finance; adding new definitions; amending provisions relating to disclosure, independent expenditures, noncampaign disbursements, reporting requirements, coordinated and noncoordinated expenditures, and various other changes to campaign finance laws; amending Minnesota Statutes 2016, sections 10A.01, subdivisions 5, 26, by adding subdivisions; 10A.022, subdivision 3, by adding subdivisions; 10A.025, by adding a subdivision; 10A.07, subdivisions 1, 2; 10A.08, subdivision 1, by adding a subdivision; 10A.15, by adding subdivisions; 10A.17, subdivision 4; 10A.25, subdivision 3a; 10A.273, subdivision 3; 10A.322, subdivision 1; 211B.04; Minnesota Statutes 2017 Supplement, sections 10A.09, subdivisions 5, 6; 10A.155; 10A.20, subdivision 3; 10A.27, subdivision 16a; 10A.323; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Rules, parts 4501.0200, subparts 1, 2; 4501.0500, subpart 1a; 4503.0100, subpart 6; 4503.0500, subpart 2; 4503.1300, subpart 4; 4505.0010; 4505.0100, subparts 1, 4, 6; 4505.0700; 4515.0010; 4515.0100, subparts 1, 5; 4515.0500, subpart 1; 4520.0010; 4520.0100, subparts 1, 4, 6; 4520.0400; 4520.0500; 4525.0330; 4525.0340, subpart 1.

Reported the same back with the following amendments:

Page 20, line 1, after "donors" insert ", as long as the spender does not state or suggest to the candidate that funds received from use of the donor list will be used for independent expenditures to benefit the candidate"

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3838, A bill for an act relating to local government; authorizing the city of St. Paul to use a design-build process for a public works project.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3841, A bill for an act relating to local government; increasing the contract ranges in the Uniform Municipal Contracting Law; amending Minnesota Statutes 2016, section 471.345, subdivisions 3, 4.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3850, A bill for an act relating to cosmetology; repealing facility licensure requirements for practitioners who only provide eyelash extensions; amending Minnesota Statutes 2016, sections 155A.23, subdivision 8; 155A.29, subdivisions 1, 6.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3889, A bill for an act relating to local government; authorizing a turn lane fee to be imposed by certain towns in Scott County under certain circumstances.

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

The report was adopted.

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

H. F. No. 3905, A bill for an act relating to public safety; revoking snowmobile or all-terrain vehicle privileges following a conviction for driving under the influence; amending Minnesota Statutes 2017 Supplement, sections 84.91, subdivision 1; 169A.07.

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

The report was adopted.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 3912, A bill for an act relating to capital investment; appropriating money for an expansion of the veterans home in Minneapolis; allowing for nonstate contributions; authorizing the sale and issuance of state bonds.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Capital Investment without further recommendation.

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 3917, A bill for an act relating to the Metropolitan Council; providing for staggered terms; expanding the membership of the nomination committee; requiring additional information to be made publicly available as part of the selection process; clarifying council member qualifications; amending Minnesota Statutes 2016, section 473.123, subdivisions 2a, 3.

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

The report was adopted.

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 3962, A bill for an act relating to animals; classifying certain data collected by the Board of Animal Health; amending Minnesota Statutes 2016, section 13.643, subdivision 6.

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

The report was adopted.

Hoppe from the Committee on Commerce and Regulatory Reform to which was referred:

H. F. No. 3972, A bill for an act relating to liquor; clarifying the citation of Minnesota Statutes, chapter 340A; amending Minnesota Statutes 2016, section 340A.901.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2016, section 340A.33, is amended to read:

340A.33 BREW ON PREMISES STORE.

Notwithstanding anything in this chapter, the owner of a brew on premises store shall not be considered a brewer, manufacturer, wholesaler, or retailer of intoxicating liquor if the owner complies with this section and with Code of Federal Regulations, title 27, part 25, subpart L, sections 25.205 and 25.206. For purposes of this section, a

brew on premises store is a facility that provides the ingredients and equipment for a customer to use to brew malt liquor at the store. Alcoholic beverages may not be sold or otherwise provided to customers of a brew on premises store, unless the owner of the brew on premises store holds the appropriate liquor license-, except that the tasting of malt liquor that is brewed by a customer or employee at the brew on premises store shall be permitted, if the malt liquor is not sold or offered for sale and is provided on the premises of the brew on premises store. Customers using the brew on premises store must be of the minimum age required to purchase intoxicating liquor. Malt liquor brewed by a customer in the store must not be sold and must be used by the customer solely for personal or family use.

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

Sec. 2. Minnesota Statutes 2016, section 340A.34, is amended to read:

340A.34 WINEMAKING ON PREMISES STORE.

A commercial establishment in which individuals make wine on the premises for personal and family use only and not for resale, using ingredients or materials or both supplied by the establishment, is not required to be licensed under this chapter if the establishment is operated in accordance with Code of Federal Regulations, title 27, section 24.75. No person under the age of 21 years may participate in the making of wine in such an establishment. Alcoholic beverages may not be sold or otherwise provided to customers of an establishment described in this section unless the establishment holds the appropriate license for such sale or provision-, except that the tasting of wine that is made by a customer or employee at the winemaking on premises store shall be permitted, if the wine is not sold or offered for sale and is provided on the premises of the winemaking on premises store.

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

Sec. 3. Minnesota Statutes 2017 Supplement, section 340A.504, subdivision 4, is amended to read:

Subd. 4. **Intoxicating liquor; off-sale.** (a) No sale of intoxicating liquor may be made by an off-sale licensee:

- (1) on Sundays, except between the hours of ~~11:00~~ 10:00 a.m. and 6:00 p.m.;
- (2) before 8:00 a.m. or after 10:00 p.m. on Monday through Saturday;
- (3) on Thanksgiving Day;
- (4) on Christmas Day, December 25; or
- (5) after 8:00 p.m. on Christmas Eve, December 24.

(b) No delivery of alcohol to an off-sale licensee may be made by a wholesaler or accepted by an off-sale licensee on a Sunday. No order solicitation or merchandising may be made by a wholesaler on a Sunday.

(c) In the event that Christmas Eve or New Year's Eve falls on a Sunday, Sunday off-sale hours are extended to 8:00 p.m.

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

Sec. 4. **OFF-SALE INTOXICATING LIQUOR LICENSE; HUBBARD COUNTY.**

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (e), the Hubbard County Board may issue an off-sale intoxicating liquor license to an exclusive liquor store located in Akeley Township. All other provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license authorized under this section.

EFFECTIVE DATE. This section is effective upon approval by the Hubbard County Board of Commissioners and compliance with Minnesota Statutes, section 645.021.

Sec. 5. **SPECIAL LICENSE; CITY OF NORTH MANKATO.**

The city of North Mankato may issue an on-sale intoxicating liquor license, an on-sale wine license, or an on-sale malt liquor license for the city-owned facilities known as or operated by the Caswell Regional Sporting Complex, notwithstanding any law, local ordinance, or charter provision. A license issued under this section authorizes sales on all days of the week to persons attending events at the Caswell Regional Sporting Complex.

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

Sec. 6. **CITY OF MINNEAPOLIS; SPECIAL LICENSE.**

The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5400 Penn Avenue South, notwithstanding any law, local ordinance, or charter provision.

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

Sec. 7. **CITY OF MINNEAPOLIS; SPECIAL LICENSE.**

The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 4959 Penn Avenue South, notwithstanding any law, local ordinance, or charter provision.

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

Sec. 8. **CITY OF EDINA; SPECIAL LICENSE.**

The city of Edina may issue an on-sale intoxicating liquor license to a retailer located at 6801 France Avenue South, or to an entity holding a concessions or catering contract with the retailer, for use on the premises of the retailer, notwithstanding any law or local ordinance to the contrary. The license authorized by this section may be issued for space that is not compact and contiguous, provided that all such space is included in the description of the licensed premises on the approved license application. The license authorizes sales on all days of the week.

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

Sec. 9. **CITY OF MINNEAPOLIS; SPECIAL LICENSE.**

The city of Minneapolis may issue an on-sale intoxicating liquor license to a business located at 3753 Nicollet Avenue South, notwithstanding any law, local ordinance, or charter provision.

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

Delete the title and insert:

"A bill for an act relating to liquor; clarifying provisions relating to brewing and winemaking on premises; modifying off-sale hours; authorizing licenses; amending Minnesota Statutes 2016, sections 340A.33; 340A.34; Minnesota Statutes 2017 Supplement, section 340A.504, subdivision 4."

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

The report was adopted.

Runbeck from the Committee on Transportation and Regional Governance Policy to which was referred:

H. F. No. 4008, A bill for an act relating to transportation; establishing a moratorium on permits to mow or hay trunk highway rights-of-way.

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

The report was adopted.

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

H. F. No. 4028, A bill for an act relating to environment; restricting application of certain storm water rules.

Reported the same back with the following amendments:

Page 1, line 6, delete "does not apply to townships" and insert "only applies to the portions of the city or township that are designated as urbanized under Code of Federal Regulations, title 40, section 122.26 (a)(9)(i)(A), and other platted areas within that jurisdiction"

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

The report was adopted.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 4057, A bill for an act relating to taxation; property taxes; modifying the application due date for the disabled veterans homestead exclusion; providing refunds for taxes paid in 2017 or 2018 by certain qualifying veterans; amending Minnesota Statutes 2017 Supplement, section 273.13, subdivision 34.

Reported the same back with the following amendments:

Page 3, delete section 2 and insert:

"Sec. 2. **SPECIAL REFUND PROVISION; DISABLED VETERANS HOMESTEAD EXCLUSION.**

A veteran who was first notified by the United States Department of Veterans Affairs after July 1, 2017, but before November 1, 2017, as having a total (100 percent) and permanent disability effective prior to July 1, 2016, but who did not apply to the assessor by July 1, 2016, for a benefit in Minnesota Statutes, section 273.13,

subdivision 34, paragraph (b), for assessment year 2016, and who did not apply to the assessor by July 1, 2017, for the benefit in Minnesota Statutes, section 273.13, subdivision 34, paragraph (b), for assessment year 2017, may apply to the county assessor for a refund of taxes paid in 2017 and 2018 if the veteran otherwise would have qualified for the exclusion in those years. To qualify for a refund, a property owner must apply to the assessor by November 1, 2018, and must have paid all tax due in 2017 and 2018. After verifying that the applicant qualified for an exclusion in 2016 and 2017, the county assessor must notify the county auditor, and the auditor must recalculate the taxes on the property for taxes payable in 2017 and 2018 based on the exclusion. The county treasurer must then issue a refund of tax paid in 2017 and 2018 equal to the difference between the taxes as initially calculated for each taxes payable year and the taxes based on the value remaining after the exclusion.

EFFECTIVE DATE. This section is effective for refund applications received in 2018, for refunds of tax paid in 2017 and 2018."

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 4094, A bill for an act relating to human services; modifying family and group family child care training requirements; amending Minnesota Statutes 2017 Supplement, section 245A.50, subdivision 7.

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

The report was adopted.

Schomacker from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 4112, A bill for an act relating to health; authorizing the x-ray practice of cardiovascular technologists who meet certain education requirements; amending Minnesota Statutes 2016, section 144.121, subdivision 5a.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 4132, A bill for an act relating to state government; establishing the Women's Suffrage 100th Anniversary Commemoration Commission; appropriating money.

Reported the same back with the following amendments:

Page 1, line 8, delete "commission"

Page 1, line 16, delete "Covin" and insert "Colvin"

Page 2, line 10, after "Center" insert "or the president's designee"

Page 2, line 14, delete "president" and insert "executive director" and after "Minnesota" insert "or the executive director's designee"

Page 2, line 23, delete "executive director" and insert "president of the Minnesota Humanities Center"

Page 2, line 24, delete everything before the period

Page 2, line 28, delete "Historical Society" and insert "Humanities Center"

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 4153, A bill for an act relating to elections; modifying requirements related to the voting system grant account; appropriating money to the account; amending Minnesota Statutes 2017 Supplement, section 206.95, subdivision 4.

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

The report was adopted.

O'Driscoll from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 4154, A bill for an act relating to elections; appropriating money for the purpose of modernizing, securing, and updating the statewide voter registration system.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2669, 2699, 2847, 2887, 3015, 3095, 3101, 3195, 3290, 3343, 3372, 3380, 3404, 3423, 3472, 3479, 3480, 3504, 3509, 3523, 3582, 3666, 3782, 3790, 3799, 3819, 3838, 3841, 3905, 3972, 4008, 4028 and 4112 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Fabian introduced:

H. F. No. 4211, A bill for an act relating to natural resources; allowing all-terrain vehicles in certain state campgrounds; proposing coding for new law in Minnesota Statutes, chapter 84.

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

Poppe introduced:

H. F. No. 4212, A bill for an act relating to taxation; liquor; modifying the small winery excise tax credit; amending Minnesota Statutes 2017 Supplement, section 297G.03, subdivision 6.

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

Runbeck, Knoblach and Vogel introduced:

H. F. No. 4213, A bill for an act relating to capital investment; establishing certain prerequisites for the Metropolitan Council and political subdivisions related to application for federal funds for transit capital projects; amending Minnesota Statutes 2017 Supplement, section 473.4485, subdivision 1a, by adding a subdivision.

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

Peterson and Davnie introduced:

H. F. No. 4214, A bill for an act relating to education; authorizing pupil transportation for certain pregnant and parenting teens; amending Minnesota Statutes 2017 Supplement, section 125A.51.

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

Omar and Dehn, R., introduced:

H. F. No. 4215, A bill for an act relating to capital investment; extending the availability of an appropriation for the Brian Coyle Community Center; amending Laws 2014, chapter 294, article 1, section 21, subdivision 12, as amended.

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

Considine introduced:

H. F. No. 4216, A bill for an act relating to capital investment; appropriating money for phase II of the clinical sciences renovation project at Minnesota State University, Mankato; authorizing the sale and issuance of state bonds.

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

Maye Quade; Kunesh-Podein; Lee; Mariani; Becker-Finn; Hornstein; Omar; Rosenthal; Flanagan; Dehn, R.; Carlson, L.; Freiberg; Lien; Davnie; Bernardy; Olson; Sauke; Nelson; Bly; Youakim; Koegel; Liebling; Schultz; Ward; Pinto; Fischer; Ecklund; Carlson, A.; Hilstrom and Lillie introduced:

H. F. No. 4217, A resolution condemning white nationalist and neo-Nazi organizations and urging the President and Congress to recognize criminal elements of these groups as domestic terrorist organizations.

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

Carlson, A.; Rosenthal; Slocum and Davids introduced:

H. F. No. 4218, A bill for an act relating to the city of Bloomington; modifying the city's special TIF authority for the Central Station district; amending Laws 2008, chapter 366, article 5, section 26, as amended.

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

Wagenius, Omar, Mahoney, Lee and Clark introduced:

H. F. No. 4219, A bill for an act relating to energy conservation; establishing a grant program for cities to assist in funding energy conservation in rental properties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 216B.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Wills introduced:

H. F. No. 4220, A bill for an act relating to human services; requiring the commissioner to update the 2007 legislative report on runaway and homeless youth.

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

Baker introduced:

H. F. No. 4221, A bill for an act relating to human services; modifying substance use disorder treatment provider requirements; amending Minnesota Statutes 2016, section 254B.12, subdivision 1; Minnesota Statutes 2017 Supplement, section 245G.05, subdivision 1.

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

Grossell and Bliss introduced:

H. F. No. 4222, A bill for an act relating to children; establishing a process for transferring certain child welfare and child protection responsibility from Beltrami and Clearwater Counties to the Red Lake Nation; requiring a report; appropriating money.

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

Thissen introduced:

H. F. No. 4223, A bill for an act relating to health; authorizing private rights of action for failing to release patient health information or health records and for violations of the patient bill of rights; amending Minnesota Statutes 2016, section 144.651, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Halverson; Olson; Flanagan; Maye Quade; Becker-Finn; Fischer; Hansen; Nelson; Pinto; Dehn, R.; Omar; Lee and Sundin introduced:

H. F. No. 4224, A bill for an act relating to health; making changes to statutory provisions affecting older and vulnerable adults; modifying the Minnesota Health Records Act and the health care bill of rights; modifying regulation of nursing homes, home care providers, housing with services establishments, and assisted living services; modifying requirements for reporting maltreatment of vulnerable adults; establishing an advisory task force; providing for access to information and data sharing; requiring reports; imposing civil and criminal penalties; appropriating money; amending Minnesota Statutes 2016, sections 144.291, subdivision 2; 144.6501, subdivision 3, by adding a subdivision; 144.651, subdivisions 1, 2, 4, 6, 14, 16, 17, 20, 21, by adding subdivisions; 144A.10, subdivisions 1, 6, 6b; 144A.44; 144A.441; 144A.442; 144A.45, subdivisions 1, 2; 144A.474, subdivisions 1, 8, 9; 144A.4791, subdivision 10; 144A.53, subdivisions 1, 2, 4; 144D.01, subdivision 1; 144D.02; 144D.03, subdivision 2; 144D.04, by adding a subdivision; 144D.09; 144G.01, subdivision 1; 325F.71; 573.02, subdivision 2; 609.2231, subdivision 8; 626.557, subdivisions 3, 4, 9, 9a, 9b, 9c, 9d, 10b, 12b, 14, 17; 626.5572, by adding a subdivision; Minnesota Statutes 2017 Supplement, sections 144A.474, subdivision 11; 144D.04, subdivision 2; 256.045, subdivisions 3, 4; proposing coding for new law in Minnesota Statutes, chapters 144; 144D; 144G; repealing Minnesota Statutes 2016, sections 144G.03, subdivision 6; 256.021.

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

Pugh; Dettmer; Nash; Bahr, C., and Albright introduced:

H. F. No. 4225, A bill for an act relating to veterans; requiring the commissioner of veterans affairs to design, produce, and develop a commemorative ribbon and medallion recognizing service in the United States armed forces during the Korean War; amending Minnesota Statutes 2017 Supplement, section 190.19, subdivision 2a.

The bill was read for the first time and referred to the Veterans Affairs Division.

Schomacker introduced:

H. F. No. 4226, A bill for an act relating to health; establishing the Minnesota Health Policy Commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Schomacker introduced:

H. F. No. 4227, A bill for an act relating to health; establishing the Minnesota Health Policy Commission; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 15.

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

Becker-Finn and Maye Quade introduced:

H. F. No. 4228, A bill for an act relating to data practices; authorizing disclosure to complainant of certain personnel data regarding status of sexual harassment investigations; amending Minnesota Statutes 2016, section 13.43, subdivision 8.

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

Sandstede, Davnie, Ward, Maye Quade and Kunesh-Podein introduced:

H. F. No. 4229, A bill for an act relating to education; modifying teacher licensure requirements; amending Minnesota Statutes 2017 Supplement, sections 122A.181, subdivisions 3, 5, 6; 122A.182, subdivisions 1, 3, 7; 122A.183, subdivisions 2, 4; 122A.184, subdivisions 1, 3; 122A.22; 122A.40, subdivision 8; 122A.41, subdivision 5; repealing Minnesota Statutes 2017 Supplement, section 122A.182, subdivision 2.

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

Pinto, Miller, Ward, Whelan and Grossell introduced:

H. F. No. 4230, A bill for an act relating to public safety; enhancing the penalty for patrons of sex trafficking victims; amending Minnesota Statutes 2016, section 609.324, by adding a subdivision.

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

Davnie and Mariani introduced:

H. F. No. 4231, A bill for an act relating to higher education; changing eligibility for the state grant program; amending Minnesota Statutes 2017 Supplement, section 136A.103.

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

Kiel introduced:

H. F. No. 4232, A bill for an act relating to workforce development; appropriating money for the job training incentive program.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Murphy, M., introduced:

H. F. No. 4233, A bill for an act relating to arts and cultural heritage; appropriating money for river systems exhibit at the Lake Superior Center Authority.

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

Pelowski, Marquart and Poppe introduced:

H. F. No. 4234, A bill for an act relating to higher education; requiring the Board of Trustees of the Minnesota State Colleges and Universities to submit a plan to transfer technical colleges.

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

Franson introduced:

H. F. No. 4235, A bill for an act relating to lawful gambling; authorizing a lessor employee to participate as a player in electronic pull-tabs and linked bingo; amending Minnesota Statutes 2016, section 349.181, subdivision 3.

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

Nelson introduced:

H. F. No. 4236, A bill for an act relating to elections; allowing school boards to give school credit for serving as a trainee election judge; requiring appointing authorities to recruit bilingual high school students to serve as trainee election judges; amending Minnesota Statutes 2016, section 204B.19, subdivision 6; Minnesota Statutes 2017 Supplement, section 204B.21, subdivision 2.

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

Mahoney introduced:

H. F. No. 4237, A bill for an act relating to economic development; appropriating money for small business development in East St. Paul.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Bennett introduced:

H. F. No. 4238, A bill for an act relating to education finance; providing a statutory definition for Minnesota's special education cooperatives; amending Minnesota Statutes 2016, sections 123A.55; 125A.027, subdivision 1a; 126C.40, subdivision 1.

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

Bennett introduced:

H. F. No. 4239, A bill for an act relating to education finance; expanding the paraprofessional pathway to teacher licensure program to include school districts in greater Minnesota; appropriating money; amending Laws 2017, First Special Session chapter 5, article 2, section 57, subdivision 23.

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

Hilstrom introduced:

H. F. No. 4240, A bill for an act relating to public safety; increasing the maximum penalties for criminal vehicular injury crimes committed by an offender with a qualified prior driving offense; expanding the definition of qualified prior driving offense; amending Minnesota Statutes 2016, sections 609.2111; 609.2113, subdivisions 1, 2, 3; 609.2114, subdivision 2.

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

Torkelson introduced:

H. F. No. 4241, A bill for an act relating to environment; limiting the amount of Volkswagen settlement funds that may be spent on administrative expenses; prohibiting hiring additional personnel to administer the settlement.

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

Uglem, West, Koegel, Scott, Whelan and Runbeck introduced:

H. F. No. 4242, A bill for an act relating to capital investment; appropriating money for U.S. Highway 10 and supporting frontage roads in the cities of Anoka, Coon Rapids, and Ramsey; authorizing the sale and issuance of state bonds.

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

Sandstede, Metsa, Ecklund and Sundin introduced:

H. F. No. 4243, A bill for an act relating to natural resources; establishing management requirements for Hill-Annex Mine State Park; appropriating money.

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

Gunther introduced:

H. F. No. 4244, A bill for an act relating to local government; modifying the cap on loans to certain local units of government from a rural electric cooperative or the USDA; making a technical change; amending Minnesota Statutes 2016, section 465.73.

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

McDonald introduced:

H. F. No. 4245, A bill for an act relating to taxation; lawful gambling; reducing rates for the combined net receipts tax; amending Minnesota Statutes 2016, section 297E.02, subdivision 6.

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

McDonald introduced:

H. F. No. 4246, A bill for an act relating to state government; lowering the percentage of gross profits that an organization licensed to conduct lawful gambling must expend on lawful purposes; amending Minnesota Statutes 2016, section 349.15, subdivision 1.

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

Hilstrom and Hamilton introduced:

H. F. No. 4247, A bill for an act relating to public safety; amending the statute of limitations for certain crimes; amending Minnesota Statutes 2016, section 628.26.

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

Maye Quade introduced:

H. F. No. 4248, A bill for an act relating to state government; appropriating money for the Council on Minnesotans of African Heritage.

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

Albright introduced:

H. F. No. 4249, A bill for an act relating to human services; modifying background study provisions; amending Minnesota Statutes 2016, sections 245C.02, subdivisions 4a, 15, by adding subdivisions; 245C.05, by adding a subdivision; 245C.051; Minnesota Statutes 2017 Supplement, sections 245C.02, subdivision 6a; 245C.03, subdivision 1; 245C.05, subdivision 5; 245C.08, subdivision 1; 245C.15, subdivision 1.

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

Moran introduced:

H. F. No. 4250, A bill for an act relating to transportation; appropriating money for a pedestrian crossing and associated improvements at an intersection in the city of St. Paul.

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

Swedzinski introduced:

H. F. No. 4251, A bill for an act relating to game and fish; allowing the use of certain firearms during youth turkey hunts; amending Minnesota Statutes 2016, section 97B.722.

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

Howe introduced:

H. F. No. 4252, A bill for an act relating to the State Fire Code; requiring inspections by the state fire marshal of places of public accommodation; creating a dedicated account in the special revenue fund; appropriating money; amending Minnesota Statutes 2016, section 299F.391, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 299F.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Masin introduced:

H. F. No. 4253, A bill for an act relating to environment; modifying lien provisions for environmental response costs; amending Minnesota Statutes 2017 Supplement, section 115B.406, subdivision 9.

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

O'Neill introduced:

H. F. No. 4254, A bill for an act relating to unemployment insurance; adopting recommendations of the Unemployment Insurance Advisory Council; amending Minnesota Statutes 2016, sections 268.035, subdivisions 4, 12; 268.044, subdivisions 2, 3; 268.047, subdivision 3; 268.051, subdivisions 2a, 3; 268.053, subdivision 1; 268.057, subdivision 5; 268.059; 268.066; 268.067; 268.069, subdivision 1; 268.085, subdivisions 3, 3a; 268.095, subdivision 6a; 268.105, subdivision 6; 268.145, subdivision 1; Minnesota Statutes 2017 Supplement, sections 268.035, subdivisions 15, 20; 268.046, subdivision 1; 268.07, subdivision 1; 268.085, subdivision 13a; 268.095, subdivision 6; 268.18, subdivisions 2b, 5; repealing Minnesota Statutes 2016, section 268.053, subdivisions 4, 5.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Smith and Peterson introduced:

H. F. No. 4255, A bill for an act relating to education; modifying probationary period provisions for teachers and principals in school districts outside cities of the first class; amending Minnesota Statutes 2016, section 122A.40, subdivisions 5, 7, by adding a subdivision.

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

Urdahl; Murphy, M.; Davids and Loeffler introduced:

H. F. No. 4256, A bill for an act relating to state government; requiring approval of the Capitol Preservation Commission for the display of works of art in certain areas of the Capitol; establishing a Capitol Art Advisory Committee; amending Minnesota Statutes 2016, sections 15B.32, subdivision 6; 138.67, subdivisions 2, 4; 138.68; 138.70; Minnesota Statutes 2017 Supplement, section 138.69; proposing coding for new law in Minnesota Statutes, chapter 15B.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

S. F. Nos. 2620 and 3154.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2620, A bill for an act relating to retirement; benefit and contribution changes for Minnesota statewide and major local public employee retirement plans; increasing contribution rates; reducing certain postretirement adjustment rates; modifying investment return assumptions; extending amortization target dates; reducing deferred annuities augmentation; requiring a study on postretirement adjustments; making administrative changes to the Minnesota State Retirement System, Teachers Retirement Association, Public Employees Retirement Association, and St. Paul Teachers Retirement Fund Association; clarifying refund repayment procedures; modifying executive director credentials; clarifying service requirements; revising appeal procedures; modifying service credit purchase procedures; establishing new procedures for disability applications due to private disability insurance requirements; clarifying disability benefit payment provisions; modifying annual benefit limitations for federal tax code compliance; authorizing use of IRS correction procedures; clarifying benefit offsets for certain refund payments; clarifying police and fire plan coverage for certain Hennepin Healthcare System supervisors; modifying various economic actuarial assumptions; authorizing the transfer of assets and members from the voluntary statewide volunteer firefighter retirement plan to a volunteer firefighter relief association; adopting recommendations of the Volunteer Firefighter Relief Association working group; increasing the lump-sum service pension maximum and lowering certain vesting requirements for the Eden Prairie Volunteer Firefighters Relief Association; modifying the Brook Park volunteer firefighters service pension level; permitting alternative allocation of fire state aid for the city of Austin; establishing a fire state aid work group; extending a reporting deadline for the Clearbrook Fire Department Relief Association; clarifying a 1992 session law for the Swift County-Benson Hospital; modifying various Department of Human Services and Department of Corrections employment classifications eligible for correctional retirement coverage; revising augmentation interest rates for certain terminated privatized employees; adopting definition of the Hometown Heroes Act related to public safety officer death benefits; modifying defined contribution plans to allow certain distributions; allowing service credit purchase and rule of 90 eligibility for certain Minnesota Department of Transportation employees; expanding investment authority for the Hennepin County Supplemental Retirement Plan; authorizing certain MnSCU employees to elect retroactive and prospective TRA coverage; authorizing a MnSCU employee to transfer past service from IRAP to PERA; increasing maximum employer contribution to a supplemental laborers pension fund; exempting certain laborers groups from coverage; authorizing certain additional sources of retirement plan funding; making technical and conforming changes; authorizing direct state aid to the public employees police and fire retirement plan and the St. Paul Teachers Retirement Fund Association; modifying pension adjustment revenue provisions; appropriating money; amending Minnesota Statutes 2016, sections 3A.02, subdivision 4; 3A.03, subdivisions 2, 3; 16A.14, subdivision 2a; 126C.10, subdivision 37; 352.01, subdivisions 2a, 13a; 352.017, subdivision 2; 352.03, subdivisions 5, 6; 352.04, subdivisions 2, 3, 8, 9; 352.113, subdivisions 2, 4, 14; 352.116, subdivision 1a; 352.22, subdivisions 2, 3, by adding subdivisions; 352.23; 352.27; 352.91, subdivisions 3f, 3g, by adding a subdivision; 352.92, subdivisions 1, 2, by adding a subdivision; 352.955, subdivision 3; 352B.013, subdivision 2; 352B.02, subdivisions 1a, 1c; 352B.08, by adding a subdivision; 352B.085; 352B.086; 352B.11, subdivision 4; 352D.02, subdivisions 1, 3; 352D.04, subdivision 2; 352D.05, subdivision 4; 352D.085, subdivision 1; 352D.11, subdivision 2; 352D.12; 352F.04, subdivisions 1, 2, by adding a subdivision; 353.01, subdivisions 2b, 10, 16, 43, 47; 353.012; 353.0162; 353.03, subdivision 3; 353.27, subdivisions 7a, 12, 12a, 12b; 353.28, subdivision 5; 353.29, subdivisions 4, 7; 353.30, subdivisions 3c, 5; 353.32, subdivisions 1, 4; 353.34, subdivisions 2, 3; 353.35, subdivision 1; 353.37, subdivision 1; 353.64, subdivision 10; 353.65, subdivisions 2, 3, by adding a subdivision; 353D.07; 353F.02, subdivision 5a; 353F.025, subdivision 2; 353F.04, subdivision 2; 353F.05; 353F.057; 353F.06; 353F.07; 353G.01, subdivision 9, by adding a subdivision; 353G.02, subdivision 6; 353G.03, subdivision 3; 353G.08, subdivision 3; 353G.11, subdivision 1; 354.05, subdivision 2, by adding a subdivision; 354.06, subdivisions 2, 2a; 354.095; 354.42, subdivisions 2, 3; 354.435, subdivision 4; 354.436, subdivision 3; 354.44, subdivisions 3, 6, 9; 354.45, by adding a subdivision; 354.46, subdivision 6; 354.48, subdivision 1; 354.49, subdivision 2; 354.50, subdivision 2; 354.51, subdivision 5; 354.512; 354.52, subdivisions 4, 4d; 354.53, subdivision 5; 354.55, subdivision 11; 354.66, subdivision 2; 354.72, subdivisions 1, 2; 354A.011, subdivisions 3a, 29; 354A.093, subdivisions 4, 6; 354A.095; 354A.096; 354A.12, subdivisions 1, 1a, 2a, 3a, 3c, 7; 354A.29, subdivision 7; 354A.31, subdivisions 3, 5, 6, 7; 354A.34; 354A.35,

subdivision 2; 354A.36, subdivision 4; 354A.37, subdivisions 2, 3; 354A.38; 356.195, subdivision 2; 356.215, subdivisions 9, 11; 356.24, subdivision 1; 356.30, subdivision 1; 356.32, subdivision 2; 356.415, subdivisions 1, 1a, 1b, 1c, 1d, 1e, 1f, by adding a subdivision; 356.44; 356.47, subdivisions 1, 3; 356.50, subdivision 2; 356.551, subdivision 2; 356.635, subdivision 10, by adding subdivisions; 356.645; 356.96, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 356A.06, subdivision 7; 383B.47; 383B.48; 383B.49; 383B.50; 423A.02, subdivisions 3, 5; 423A.022, subdivision 5; 424A.001, subdivisions 2, 3, 10, by adding a subdivision; 424A.002, subdivision 1; 424A.01, subdivisions 1, 5, 6, by adding subdivisions; 424A.015, subdivision 1, by adding a subdivision; 424A.016, subdivision 2; 424A.02, subdivisions 1, 3a, 7; 424A.04, subdivision 1; 424A.07; 424A.091, subdivision 3; 424A.094, subdivision 3; 424A.10, subdivision 1; 424B.20, subdivision 4; 490.121, subdivisions 4, 25, 26; 490.1211; 490.123, by adding a subdivision; 490.124, subdivision 12; Minnesota Statutes 2017 Supplement, sections 353.27, subdivision 3c; 356.215, subdivision 8; Laws 1992, chapter 534, section 10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 353F; 353G; 356; 424A; repealing Minnesota Statutes 2016, sections 3A.12; 352.04, subdivision 11; 352.045; 352.72; 352B.30; 353.0161; 353.27, subdivision 3b; 353.34, subdivision 6; 353.71; 354.42, subdivisions 4a, 4b, 4c, 4d; 354.60; 354A.12, subdivision 2c; 354A.29, subdivisions 8, 9; 354A.39; 356.611, subdivisions 3, 3a, 4, 5; 356.96, subdivisions 14, 15; 424A.02, subdivision 13; Laws 2008, chapter 349, article 8, section 4.

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

S. F. No. 3154, A bill for an act relating to state government; ratifying certain labor agreements and compensation plans.

The bill was read for the first time.

DECLARATION OF URGENCY

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, O'Neill moved that the rule therein be suspended and an urgency be declared and that the rules of the House be so far suspended so that S. F. No. 3154 be given its second and third readings and be placed upon its final passage. The motion prevailed.

S. F. No. 3154 was read for the second time.

S. F. No. 3154, A bill for an act relating to state government; ratifying certain labor agreements and compensation plans.

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 93 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Allen	Becker-Finn	Carlson, A.	Davids	Ecklund	Freiberg
Anderson, P.	Bernardy	Carlson, L.	Davnie	Fenton	Grossell
Applebaum	Bliss	Clark	Dehn, R.	Fischer	Gunther
Barr, R.	Bly	Considine	Dettmer	Franke	Haley

Halverson	Johnson, C.	Loeffler	Nelson	Pryor	Uglem
Hamilton	Jurgens	Lohmer	Nornes	Rarick	Urdahl
Hansen	Knoblach	Loon	O'Driscoll	Rosenthal	Wagenius
Hausman	Koegel	Lueck	Olson	Sandstede	Ward
Heintzeman	Kresha	Mahoney	Omar	Sauke	West
Hilstrom	Kunesh-Podein	Mariani	O'Neill	Schomacker	Whelan
Hoppe	Layman	Marquart	Pelowski	Schultz	Wills
Hornstein	Lee	Masin	Petersburg	Sundin	Youakim
Hortman	Lesch	Maye Quade	Peterson	Swedzinski	Zerwas
Howe	Liebling	Metsa	Pierson	Theis	
Jessup	Lien	Murphy, E.	Pinto	Thissen	
Johnson, B.	Lillie	Murphy, M.	Poppe	Torkelson	

Those who voted in the negative were:

Albright	Dean, M.	Gruenhagen	McDonald	Peppin	Smith
Anderson, S.	Drazkowski	Hertaus	Miller	Poston	Vogel
Backer	Erickson	Kiel	Munson	Pugh	Spk. Daudt
Bahr, C.	Fabian	Koznick	Nash	Quam	
Bennett	Garofalo	Loonan	Neu	Runbeck	
Christensen	Green	Lucero	Newberger	Scott	

The bill was passed and its title agreed to.

CALENDAR FOR THE DAY

H. F. No. 2982 was reported to the House.

Hamilton moved to amend H. F. No. 2982, the second engrossment, as follows:

Page 1, line 17, after "Minnesota" insert "that identify or could identify an individual or business"

The motion prevailed and the amendment was adopted.

H. F. No. 2982, A bill for an act relating to agricultural data; classifying agricultural research data maintained by the University of Minnesota; amending Minnesota Statutes 2016, section 13.643, subdivision 7.

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

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Anderson, S.	Bahr, C.	Bennett	Bly	Christensen
Allen	Applebaum	Barr, R.	Bernardy	Carlson, A.	Clark
Anderson, P.	Backer	Becker-Finn	Bliss	Carlson, L.	Considine

Davids	Haley	Koegel	Marquart	Pelowski	Scott
Davnie	Halverson	Koznick	Masin	Peppin	Smith
Dean, M.	Hamilton	Kresha	Maye Quade	Petersburg	Sundin
Dehn, R.	Hansen	Kunesh-Podein	McDonald	Peterson	Swedzinski
Dettmer	Hausman	Layman	Metsa	Pierson	Theis
Drazkowski	Heintzeman	Lee	Miller	Pinto	Thissen
Ecklund	Hertaus	Lesch	Munson	Poppe	Torkelson
Erickson	Hilstrom	Liebling	Murphy, E.	Poston	Uglem
Fabian	Hoppe	Lien	Murphy, M.	Pryor	Urdahl
Fenton	Hornstein	Lillie	Nash	Pugh	Vogel
Fischer	Hortman	Loeffler	Nelson	Quam	Wagenius
Franke	Howe	Lohmer	Neu	Rarick	Ward
Freiberg	Jessup	Loon	Newberger	Rosenthal	West
Garofalo	Johnson, B.	Loonan	Nornes	Runbeck	Whelan
Green	Johnson, C.	Lucero	O'Driscoll	Sandstede	Wills
Grossell	Jurgens	Lueck	Olson	Sauke	Youakim
Gruenhagen	Kiel	Mahoney	Omar	Schomacker	Zerwas
Gunther	Knoblach	Mariani	O'Neill	Schultz	Spk. Daudt

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

H. F. No. 3418, A bill for an act relating to commerce; changing requirements for motor vehicle service contracts; amending Minnesota Statutes 2016, section 59B.02, subdivision 11, by adding a subdivision.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Albright	Davnie	Hamilton	Kresha	Metsa	Pierson
Allen	Dean, M.	Hansen	Kunesh-Podein	Miller	Pinto
Anderson, P.	Dehn, R.	Hausman	Layman	Munson	Poppe
Anderson, S.	Dettmer	Heintzeman	Lee	Murphy, E.	Poston
Applebaum	Ecklund	Hertaus	Lesch	Murphy, M.	Pryor
Backer	Erickson	Hilstrom	Lien	Nash	Pugh
Barr, R.	Fabian	Hoppe	Lillie	Nelson	Quam
Becker-Finn	Fenton	Hornstein	Loeffler	Neu	Rarick
Bennett	Fischer	Hortman	Lohmer	Newberger	Rosenthal
Bernardy	Franke	Howe	Loon	Nornes	Runbeck
Bliss	Freiberg	Jessup	Loonan	O'Driscoll	Sandstede
Bly	Garofalo	Johnson, B.	Lueck	Olson	Sauke
Carlson, A.	Green	Johnson, C.	Mahoney	Omar	Schomacker
Carlson, L.	Grossell	Jurgens	Mariani	O'Neill	Schultz
Christensen	Gruenhagen	Kiel	Marquart	Pelowski	Scott
Clark	Gunther	Knoblach	Masin	Peppin	Smith
Considine	Haley	Koegel	Maye Quade	Petersburg	Sundin
Davids	Halverson	Koznick	McDonald	Peterson	Swedzinski

Theis	Uglem	Wagenius	Whelan	Zerwas
Thissen	Urdahl	Ward	Wills	Spk. Daudt
Torkelson	Vogel	West	Youakim	

Those who voted in the negative were:

Bahr, C.	Drazkowski	Lucero
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The bill was passed and its title agreed to.

H. F. No. 3157, A bill for an act relating to public safety; establishing a crime for misrepresenting an animal as a service animal; proposing coding for new law in Minnesota Statutes, chapter 609.

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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Albright	Dehn, R.	Hertaus	Lillie	Newberger	Sauke
Allen	Dettmer	Hilstrom	Loeffler	Nornes	Schomacker
Anderson, P.	Drazkowski	Hoppe	Lohmer	O'Driscoll	Schultz
Anderson, S.	Ecklund	Hornstein	Loon	Olson	Scott
Applebaum	Erickson	Hortman	Loonan	Omar	Smith
Backer	Fabian	Howe	Lucero	O'Neill	Sundin
Bahr, C.	Fenton	Jessup	Lueck	Pelowski	Swedzinski
Barr, R.	Fischer	Johnson, B.	Mahoney	Peppin	Theis
Becker-Finn	Franke	Johnson, C.	Mariani	Petersburg	Torkelson
Bennett	Freiberg	Jurgens	Marquart	Peterson	Uglem
Bernardy	Garofalo	Kiel	Masin	Pierson	Urdahl
Bliss	Green	Knoblach	Maye Quade	Pinto	Vogel
Bly	Grossell	Koegel	McDonald	Poppe	Wagenius
Carlson, A.	Gruenhagen	Koznick	Metsa	Poston	Ward
Carlson, L.	Gunther	Kresha	Miller	Pryor	West
Christensen	Haley	Kunesh-Podein	Munson	Pugh	Whelan
Clark	Halverson	Layman	Murphy, E.	Quam	Wills
Considine	Hamilton	Lee	Murphy, M.	Rarick	Youakim
Davids	Hansen	Lesch	Nash	Rosenthal	Zerwas
Davnie	Hausman	Liebling	Nelson	Runbeck	Spk. Daudt
Dean, M.	Heintzeman	Lien	Neu	Sandstede	

The bill was passed and its title agreed to.

MOTIONS AND RESOLUTIONS

Murphy, E., moved that the name of Lee be added as an author on H. F. No. 21. The motion prevailed.

Clark moved that the name of Becker-Finn be added as an author on H. F. No. 491. The motion prevailed.

Theis moved that the name of Liebling be added as an author on H. F. No. 978. The motion prevailed.

Bennett moved that the name of Omar be added as an author on H. F. No. 1924. The motion prevailed.

Zerwas moved that his name be stricken as an author and that the name of Gruenhagen be shown as chief author on H. F. No. 2065. The motion prevailed.

Dehn, R., moved that the name of Halverson be added as an author on H. F. No. 2139. The motion prevailed.

Fischer moved that the name of Omar be added as an author on H. F. No. 2160. The motion prevailed.

Lohmer moved that the name of Munson be added as an author on H. F. No. 2413. The motion prevailed.

Fabian moved that the name of West be added as an author on H. F. No. 2687. The motion prevailed.

Jessup moved that the name of Jurgens be added as an author on H. F. No. 2768. The motion prevailed.

Considine moved that the name of Masin be added as an author on H. F. No. 2781. The motion prevailed.

Allen moved that the name of Ward be added as an author on H. F. No. 2828. The motion prevailed.

Swedzinski moved that the name of Poston be added as an author on H. F. No. 2858. The motion prevailed.

Backer moved that the name of Munson be added as an author on H. F. No. 2887. The motion prevailed.

Hansen moved that the name of Jurgens be added as an author on H. F. No. 2918. The motion prevailed.

Grossell moved that the name of Backer be added as an author on H. F. No. 2943. The motion prevailed.

Peterson moved that the name of Anselmo be added as an author on H. F. No. 2962. The motion prevailed.

Lohmer moved that the name of Ward be added as an author on H. F. No. 2967. The motion prevailed.

Peterson moved that the name of Munson be added as an author on H. F. No. 3012. The motion prevailed.

Bliss moved that the name of Jessup be added as an author on H. F. No. 3018. The motion prevailed.

Dean, M., moved that the name of Munson be added as an author on H. F. No. 3024. The motion prevailed.

Dean, M., moved that the name of Albright be added as an author on H. F. No. 3062. The motion prevailed.

Newberger moved that the name of Wills be added as an author on H. F. No. 3121. The motion prevailed.

Bennett moved that the name of Baker be added as an author on H. F. No. 3189. The motion prevailed.

Schomacker moved that the names of Becker-Finn and Poston be added as authors on H. F. No. 3191. The motion prevailed.

Albright moved that the name of Dean, M., be added as an author on H. F. No. 3211. The motion prevailed.

O'Driscoll moved that the name of Backer be added as an author on H. F. No. 3221. The motion prevailed.

Whelan moved that the name of Lohmer be added as an author on H. F. No. 3287. The motion prevailed.

Bennett moved that the name of Baker be added as an author on H. F. No. 3288. The motion prevailed.

Anselmo moved that the names of Liebling; Johnson, C.; Lee and Hausman be added as authors on H. F. No. 3291. The motion prevailed.

Munson moved that the name of Anselmo be added as an author on H. F. No. 3396. The motion prevailed.

Ward moved that the name of Bly be added as an author on H. F. No. 3414. The motion prevailed.

Hornstein moved that the name of Bly be added as an author on H. F. No. 3460. The motion prevailed.

Hansen moved that the name of Bly be added as an author on H. F. No. 3481. The motion prevailed.

Johnson, C., moved that the name of Bly be added as an author on H. F. No. 3484. The motion prevailed.

Anderson, P., moved that the name of Bly be added as an author on H. F. No. 3493. The motion prevailed.

Poppe moved that the name of Bly be added as an author on H. F. No. 3515. The motion prevailed.

Anselmo moved that the names of Whelan and Petersburg be added as authors on H. F. No. 3532. The motion prevailed.

Zerwas moved that the name of Johnson, C., be added as an author on H. F. No. 3542. The motion prevailed.

Johnson, C., moved that the name of Bly be added as an author on H. F. No. 3550. The motion prevailed.

Poppe moved that the name of Bly be added as an author on H. F. No. 3560. The motion prevailed.

Sundin moved that the name of Bly be added as an author on H. F. No. 3563. The motion prevailed.

Hamilton moved that the name of Bly be added as an author on H. F. No. 3576. The motion prevailed.

Moran moved that the name of Bly be added as an author on H. F. No. 3585. The motion prevailed.

Koznick moved that the name of Wills be added as an author on H. F. No. 3594. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 3601. The motion prevailed.

Metsa moved that his name be stricken as an author on H. F. No. 3606. The motion prevailed.

Johnson, S., moved that the name of Bly be added as an author on H. F. No. 3620. The motion prevailed.

Daniels moved that the name of Bly be added as an author on H. F. No. 3634. The motion prevailed.

Becker-Finn moved that her name be stricken as an author on H. F. No. 3649. The motion prevailed.

Hausman moved that the name of Bly be added as an author on H. F. No. 3670. The motion prevailed.

Wagenius moved that the name of Bly be added as an author on H. F. No. 3675. The motion prevailed.

Jessup moved that the name of Theis be added as an author on H. F. No. 3692. The motion prevailed.

Rosenthal moved that the name of Bly be added as an author on H. F. No. 3695. The motion prevailed.

Knoblach moved that the name of Masin be added as an author on H. F. No. 3725. The motion prevailed.

Hamilton moved that the name of Bly be added as an author on H. F. No. 3736. The motion prevailed.

Baker moved that the name of Masin be added as an author on H. F. No. 3747. The motion prevailed.

Haley moved that the name of Bly be added as an author on H. F. No. 3748. The motion prevailed.

Wagenius moved that the name of Bly be added as an author on H. F. No. 3760. The motion prevailed.

Koznick moved that the names of Torkelson and Pierson be added as authors on H. F. No. 3795. The motion prevailed.

Layman moved that the name of Masin be added as an author on H. F. No. 3798. The motion prevailed.

Metsa moved that his name be stricken as an author on H. F. No. 3814. The motion prevailed.

Baker moved that the name of Anselmo be added as an author on H. F. No. 3820. The motion prevailed.

Gruenhagen moved that his name be stricken as an author on H. F. No. 3830. The motion prevailed.

Schomacker moved that the name of Rosenthal be added as an author on H. F. No. 3833. The motion prevailed.

Bernardy moved that the name of Fischer be added as an author on H. F. No. 3866. The motion prevailed.

Schultz moved that the name of Bly be added as an author on H. F. No. 3877. The motion prevailed.

Schultz moved that the name of Bly be added as an author on H. F. No. 3878. The motion prevailed.

Lee moved that the name of Bly be added as an author on H. F. No. 3879. The motion prevailed.

Hortman moved that the name of Bly be added as an author on H. F. No. 3880. The motion prevailed.

Slocum moved that the name of Bly be added as an author on H. F. No. 3883. The motion prevailed.

Nornes moved that the name of Barr, R., be added as chief author on H. F. No. 3899. The motion prevailed.

Uglem moved that the name of Wagenius be added as an author on H. F. No. 3921. The motion prevailed.

Johnson, C., moved that the name of Bly be added as an author on H. F. No. 3940. The motion prevailed.

Runbeck moved that the name of Bahr, C., be added as an author on H. F. No. 3949. The motion prevailed.

Hertaus moved that the name of Maye Quade be added as an author on H. F. No. 3964. The motion prevailed.

Hornstein moved that the name of Maye Quade be added as an author on H. F. No. 3966. The motion prevailed.

Moran moved that the names of Maye Quade and Bly be added as authors on H. F. No. 3973. The motion prevailed.

Nash moved that the name of Zerwas be added as an author on H. F. No. 3997. The motion prevailed.

Runbeck moved that the name of Bahr, C., be added as an author on H. F. No. 4004. The motion prevailed.

Dehn, R., moved that the name of Maye Quade be added as an author on H. F. No. 4014. The motion prevailed.

Anderson, S., moved that the name of Christensen be added as an author on H. F. No. 4016. The motion prevailed.

Fabian moved that the name of Kiel be added as chief author on H. F. No. 4029. The motion prevailed.

Considine moved that the name of Bly be added as an author on H. F. No. 4044. The motion prevailed.

Olson moved that the name of Bly be added as an author on H. F. No. 4045. The motion prevailed.

Zerwas moved that the name of Maye Quade be added as an author on H. F. No. 4062. The motion prevailed.

Koegel moved that the name of Maye Quade be added as an author on H. F. No. 4071. The motion prevailed.

Rosenthal moved that the name of Maye Quade be added as an author on H. F. No. 4073. The motion prevailed.

Ecklund moved that the name of Maye Quade be added as an author on H. F. No. 4075. The motion prevailed.

Hilstrom moved that the name of Maye Quade be added as an author on H. F. No. 4076. The motion prevailed.

Zerwas moved that the name of Maye Quade be added as an author on H. F. No. 4091. The motion prevailed.

Heintzeman moved that the name of Lueck be added as an author on H. F. No. 4106. The motion prevailed.

Heintzeman moved that the name of Lueck be added as an author on H. F. No. 4109. The motion prevailed.

Franke moved that the name of Maye Quade be added as an author on H. F. No. 4110. The motion prevailed.

Franke moved that the name of Maye Quade be added as an author on H. F. No. 4111. The motion prevailed.

Franke moved that the name of Knoblach be added as an author on H. F. No. 4116. The motion prevailed.

Urdahl moved that the name of Maye Quade be added as an author on H. F. No. 4117. The motion prevailed.

Jessup moved that the names of Theis and Maye Quade be added as authors on H. F. No. 4119. The motion prevailed.

Franke moved that the name of Maye Quade be added as an author on H. F. No. 4121. The motion prevailed.

Newberger moved that the name of Maye Quade be added as an author on H. F. No. 4126. The motion prevailed.

Clark moved that the name of Maye Quade be added as an author on H. F. No. 4132. The motion prevailed.

Franke moved that the names of Maye Quade and Koegel be added as authors on H. F. No. 4135. The motion prevailed.

Mahoney moved that the name of Maye Quade be added as an author on H. F. No. 4136. The motion prevailed.

Gunther moved that the name of Dettmer be added as an author on H. F. No. 4141. The motion prevailed.

Kiel moved that the name of Lueck be added as an author on H. F. No. 4144. The motion prevailed.

Hansen moved that the name of Lee be added as an author on H. F. No. 4145. The motion prevailed.

Anderson, P., moved that the name of Lien be added as an author on H. F. No. 4158. The motion prevailed.

Zerwas moved that the name of Lueck be added as an author on H. F. No. 4159. The motion prevailed.

Zerwas moved that the name of Lee be added as an author on H. F. No. 4172. The motion prevailed.

Sandstede moved that the name of Layman be added as an author on H. F. No. 4189. The motion prevailed.

Maye Quade moved that the name of Lee be added as an author on H. F. No. 4207. The motion prevailed.

Davnie moved that the names of Lee and Sandstede be added as authors on H. F. No. 4208. The motion prevailed.

Koznick moved that H. F. No. 3528, now on the General Register, be re-referred to the Committee on Transportation Finance. The motion prevailed.

Metsa moved that H. F. No. 4164 be recalled from the Veterans Affairs Division and be re-referred to the Committee on Transportation and Regional Governance Policy. The motion prevailed.

Ecklund moved that H. F. No. 2836 be returned to its author. The motion prevailed.

Carlson, L., moved that H. F. No. 4013 be returned to its author. The motion prevailed.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 12:00 noon, Wednesday, March 28, 2018. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Wednesday, March 28, 2018.

PATRICK D. MURPHY, Chief Clerk, House of Representatives

