

## STATE OF MINNESOTA

## EIGHTY-NINTH SESSION — 2015

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 THIRTY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MARCH 23, 2015

The House of Representatives convened at 3:30 p.m. and was called to order by Greg Davids, Speaker pro tempore.

Prayer was offered by Pastor Matthew Molesky, Calvary Community Church, St. Cloud, 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.	Hoppe	Loonan	Norton	Simonson
Allen	Dettmer	Hornstein	Lucero	O'Driscoll	Slocum
Anderson, P.	Dill	Hortman	Lueck	O'Neill	Smith
Anderson, S.	Drazkowski	Howe	Mack	Pelowski	Sundin
Anzelc	Erhardt	Isaacson	Mahoney	Peppin	Swedzinski
Applebaum	Erickson	Johnson, B.	Mariani	Persell	Theis
Atkins	Fenton	Johnson, C.	Marquart	Petersburg	Thissen
Backer	Fischer	Johnson, S.	Masin	Peterson	Torkelson
Baker	Franson	Kahn	McDonald	Pierson	Uglen
Barrett	Freiberg	Kelly	McNamara	Pinto	Urdahl
Bennett	Garofalo	Knoblach	Melin	Poppe	Vogel
Bernardy	Green	Koznick	Metsa	Pugh	Wagenius
Bly	Gruenhagen	Kresha	Miller	Quam	Ward
Carlson	Gunther	Laine	Moran	Rarick	Whelan
Christensen	Halverson	Lenczewski	Mullery	Rosenthal	Wills
Clark	Hamilton	Lesch	Murphy, E.	Runbeck	Winkler
Considine	Hancock	Liebling	Murphy, M.	Sanders	Yarusso
Cornish	Hansen	Lien	Nash	Schoen	Youakim
Daniels	Hausman	Lillie	Nelson	Schomacker	Zerwas
Davids	Heintzeman	Loeffler	Newberger	Schultz	Spk. Daudt
Davnie	Hertaus	Lohmer	Newton	Scott	
Dean, M.	Hilstrom	Loon	Nornes	Selcer	

A quorum was present.

Anderson, M., was excused.

Kiel was excused until 4:10 p.m. Fabian and Hackbarth were excused until 7:40 p.m.

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

## 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 Sandra L. Pappas  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2015 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S. F. No.</i>	<i>H. F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 2015</i>	<i>Date Filed 2015</i>
578		5	2:10 p.m. March 19	March 19

Sincerely,

STEVE SIMON  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Anderson, P., from the Committee on Agriculture Policy to which was referred:

H. F. No. 153, A bill for an act relating to state government; adding urban agriculture development zones in land use planning; amending Minnesota Statutes 2014, section 473.859, subdivisions 1, 2, 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[17.1095] URBAN AGRICULTURE DEVELOPMENT GRANTS.**

Subdivision 1. **Establishment.** (a) The commissioner shall establish and administer a grant program to provide financial and technical assistance to cities, organizations, or individuals for urban agriculture projects. Grant applications must be submitted to the commissioner on forms provided by the commissioner. The commissioner shall award grants to meritorious projects within the limits of available funding.

(b) For purposes of this section, "eligible city" means a Minnesota home rule or statutory city located in:

(1) the seven-county metropolitan area, as defined under section 473.121, subdivision 2; or

(2) the core county or counties of a metropolitan statistical area.

Subd. 2. **Grants to organizations or individuals.** The commissioner shall solicit grant applications from individuals and organizations for projects located in urban agriculture development zones in eligible cities. The commissioner shall rank applications based on the project's ability to:

(1) increase fresh food access, including access to affordable organic foods, to improve both local and regional food security through the development of urban agriculture projects; and

(2) reduce or eliminate health disparities related to food access.

Subd. 3. **Grants to cities.** The commissioner shall solicit grant applications from eligible cities that have adopted a zoning ordinance that designates urban agriculture development zones. Applicant cities must certify to the commissioner that the ordinance will remain in effect for at least ten years and must repay any grant funds received under this section if the ordinance is repealed or amended to prohibit urban agriculture during the ten-year period.

Sec. 2. Minnesota Statutes 2014, section 17.115, subdivision 2, is amended to read:

Subd. 2. **Loan criteria.** (a) The shared savings loan program ~~must~~ may provide loans for purchase of new or used machinery, urban agriculture development, and installation of equipment for projects that make environmental improvements and enhance farm profitability. Eligible loan uses do not include seed, fertilizer, or fuel.

(b) Loans may not exceed \$40,000 per individual or organization applying for a loan and may not exceed \$160,000 for loans to four or more individuals or to two or more organizations on joint projects. The loan repayment period may be up to seven years as determined by project cost and energy savings. The interest rate on the loans must not exceed six percent.

(c) Loans may only be made to residents and organizations of this state engaged in farming.

Sec. 3. Minnesota Statutes 2014, section 17.115, subdivision 3, is amended to read:

Subd. 3. **Awarding of loans.** (a) Applications for loans must be made to the commissioner on forms prescribed by the commissioner.

(b) The applications must be reviewed, ranked, and recommended by a loan review panel appointed by the commissioner. The loan review panel shall consist of two lenders with agricultural experience, two resident farmers of the state using sustainable agriculture methods, two resident farmers of the state using organic agriculture methods, a farm management specialist, two residents of the state practicing urban agriculture, a representative from a postsecondary education institution, and a chair from the department.

(c) The loan review panel shall rank applications according to the following criteria:

(1) realize savings to the cost of agricultural production;

(2) reduce or make more efficient use of energy or inputs;

(3) increase overall farm profitability; and

(4) result in environmental benefits.

(d) A loan application must show that the loan can be repaid by the applicant.

(e) The commissioner must consider the recommendations of the loan review panel and may make loans for eligible projects.

Sec. 4. **APPROPRIATION.**

\$3,000,000 in fiscal year 2016 and \$3,000,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of agriculture for urban agriculture development grants under section 1. Between July 1 and January 1 in each fiscal year, \$1,000,000 is reserved for grants to cities, \$1,000,000 is reserved for grants to organizations, and \$1,000,000 is reserved for grants to individuals. From January 2 to June 30 in each fiscal year, the commissioner may award remaining funds to any eligible city, organization, or individual."

Delete the title and insert:

"A bill for an act relating to state government; establishing urban agriculture development grants; appropriating money; amending Minnesota Statutes 2014, section 17.115, subdivisions 2, 3; proposing coding for new law in Minnesota Statutes, chapter 17."

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 161, A bill for an act relating to human services; establishing accounts for certain persons with disabilities; amending Minnesota Statutes 2014, section 13.461, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 256Q.

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 195, A bill for an act relating to transportation; prohibiting the Metropolitan Council from certain indebtedness; amending Minnesota Statutes 2014, section 473.39, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 398A.04, is amended by adding a subdivision to read:

Subd. 2b. **Legislative authorization.** The powers conferred to a regional rail authority under this chapter are subject to the requirements under section 473.399, subdivision 6.

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

Sec. 2. Minnesota Statutes 2014, section 473.39, is amended by adding a subdivision to read:

Subd. 6. **Limitations.** The council may not issue certificates of indebtedness, bonds, or other obligations secured in part or in whole by a pledge of motor vehicle sales tax revenue received under sections 16A.88 and 297B.09, or by a pledge of any earnings from the council's investment of motor vehicle sales tax revenues.

**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. 3. Minnesota Statutes 2014, section 473.399, is amended by adding a subdivision to read:

Subd. 6. **Light rail transit development; legislative authorization.** (a) The commissioner of transportation and any political subdivision, including but not limited to the Metropolitan Council, a regional railroad authority, a county, and a statutory or home rule charter city, may not complete an alternatives analysis or select a locally preferred alternative for a light rail transit project unless (1) a law is enacted that specifically identifies and authorizes the project, or (2) state funds are appropriated specifically for the project.

(b) The powers conferred under sections 473.399 to 473.3999 to a responsible authority, as defined in section 473.3993, subdivision 4, are subject to the requirements under this subdivision.

**EFFECTIVE DATE.** This section is effective the day following final enactment, and applies for any project not approved by the Federal Transit Administration for preliminary engineering or a subsequent project phase as of the effective date of this section. That portion of this section that relates to the Metropolitan Council applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 4. Minnesota Statutes 2014, section 473.4051, subdivision 2, is amended to read:

Subd. 2. **Operating costs.** After operating revenue and federal money have been used to pay for light rail transit operations, ~~50~~ 100 percent of the remaining operating and ongoing maintenance costs must be paid ~~by the state~~ from nonstate sources. For purposes of this subdivision, state sources include but are not limited to general fund appropriations and revenue from the motor vehicle sales tax under chapter 297B.

**EFFECTIVE DATE.** This section is effective July 1, 2015, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 5. **METROPOLITAN COUNCIL; BASE APPROPRIATIONS.**

Notwithstanding Laws 2013, chapter 117, article 1, section 4, and Laws 2014, chapter 312, article 9, section 9, the base appropriation from the general fund to the Metropolitan Council for transit system operations under Minnesota Statutes, sections 473.371 to 473.449, in each fiscal year is the greater of zero or:

(1) \$76,626,000; less

(2) funds available to the council in that fiscal year under Minnesota Statutes, section 16A.88, attributable to motor vehicle sales tax revenue under Minnesota Statutes, section 297B.09; less funds appropriated to the council in fiscal year 2015 under Minnesota Statutes, section 16A.88, attributable to motor vehicle sales tax revenue.

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

Delete the title and insert:

"A bill for an act relating to transportation; governing transit finance; establishing certain legislative authorization requirements related to light rail transit; amending certain state appropriations and funding obligations; prohibiting the Metropolitan Council from certain indebtedness; amending Minnesota Statutes 2014, sections 398A.04, by adding a subdivision; 473.39, by adding a subdivision; 473.399, by adding a subdivision; 473.4051, subdivision 2."

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 283, A bill for an act relating to the military; designating certain lands around Camp Ripley as sentinel landscape; creating a coordinating committee; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 190.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[190.33] CAMP RIPLEY SENTINEL LANDSCAPE.**

Subdivision 1. **Designation of certain lands.** (a) Camp Ripley shall be a sentinel landscape. By January 16, 2017, the coordinating committee established under subdivision 2 shall designate certain lands in the vicinity of Camp Ripley to be contained in the sentinel landscape of Camp Ripley. The purpose of this designation shall be to identify lands important to the nation's defense mission in an effort to preserve and enhance the relationship between willing landowners and Camp Ripley and to create incentives to encourage landowners' land management practices to be consistent with Camp Ripley's military missions.

(b) Individuals who own land that is deemed part of the sentinel landscape shall be provided the opportunity to participate, on a voluntary basis, in various programs designed to encourage land uses compatible with Camp Ripley's military missions.

Subd. 2. **Establishment of coordinating committee.** (a) By March 1, 2016, the adjutant general shall establish a coordinating committee to address issues related to technical support services and appropriate financial assistance to landowners who voluntarily participate in the sentinel landscape program in subdivision 1.

(b) The committee will be comprised of the following individuals:

(1) the adjutant general or a designee who will serve as the chair of the committee;

(2) the commissioner of agriculture or a designee;

(3) the commissioner of natural resources or a designee; and

(4) the executive director of the Board of Water and Soil Resources or a designee.

The committee may also seek input from federal agencies, including but not limited to the Department of Defense, the Department of the Army, the National Guard Bureau, the Department of the Interior, or the Department of Agriculture. The committee may also appoint members from other state agencies, county officials from any county where sentinel landscapes are located, and nongovernmental organizations that participate in land management activities within the sentinel landscape.

Subd. 3. **Meetings.** The chair shall convene meetings as necessary to conduct the duties prescribed in this section. The chair shall convene the first meeting of the committee by March 1, 2016.

Subd. 4. **Duties.** The committee shall identify sentinel land and develop recommendations to encourage landowners within the sentinel lands to voluntarily participate in and begin or continue land uses compatible with Camp Ripley's military mission. In designating sentinel lands, the coordinating committee shall include all working or natural lands, wherever located, that the coordinating committee believes contribute to the long-term sustainability of the military missions conducted at Camp Ripley. In determining which lands to designate, the coordinating committee shall seek input from the director of the Department of Defense Readiness and Environmental Protection Integration Program, the chief of the National Guard Bureau, the director of the Army Compatible Use Buffer Program, the commander of the Camp Ripley Training Center, the commissioner of agriculture, the commissioner of natural resources, the executive director of the Board of Water and Soil Resources, appropriate county commissioners from any county where designated lands are located, and any others the adjutant general deems appropriate.

Subd. 5. **Compensation.** Members of the committee will serve without compensation.

Subd. 6. **Report.** By January 16, 2017, the adjutant general, with the assistance of the coordinating committee established in subdivision 2, shall submit a report to the governor and to the chairs of the committees in the house of representatives and senate with primary jurisdiction over the Department of Military Affairs. The report must summarize the committee's efforts to encourage landowners within the Camp Ripley sentinel landscape to voluntarily participate in and begin or continue land uses compatible with Camp Ripley's military mission. This report will include a map that geographically defines the boundaries of the sentinel landscape and may also provide recommendations for any further legislation the coordinating committee deems necessary to further the goals of this program.

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

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

The report was adopted.

Anderson, S., from the Committee on State Government Finance to which was referred:

H. F. No. 288, A bill for an act relating to professional engineers; clarifying licensing requirements; amending Minnesota Statutes 2014, section 326.02, subdivision 3.

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

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 305, A bill for an act relating to public safety; amending the Minnesota Personal Protection Act to recognize the North Dakota permit to carry a pistol as being valid within Minnesota; amending Minnesota Statutes 2014, section 624.714, subdivision 16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 624.714, subdivision 16, is amended to read:

Subd. 16. **Recognition of permits from other states.** (a) The commissioner must annually establish and publish a list of other states that have laws governing the issuance of permits to carry weapons that are not ~~substantially~~ similar to this section. The list must be available on the Internet. A person holding a carry permit from a state not on the list may use the license or permit in this state subject to the rights, privileges, and requirements of this section.

(b) Notwithstanding paragraph (a), no license or permit from another state is valid in this state if the holder is or becomes prohibited by law from possessing a firearm.

(c) Any sheriff or police chief may file a petition under subdivision 12 seeking an order suspending or revoking an out-of-state permit holder's authority to carry a pistol in this state on the grounds set forth in subdivision 6, paragraph (a), clause (3). An order shall only be issued if the petitioner meets the burden of proof and criteria set forth in subdivision 12. If the court denies the petition, the court must award the permit holder reasonable costs and expenses including attorney fees. The petition may be filed in any county in the state where a person holding a license or permit from another state can be found.

(d) The commissioner must, when necessary, execute reciprocity agreements regarding carry permits with jurisdictions whose carry permits are recognized under paragraph (a).

(e) The commissioner shall not place the class 1 carry permit issued by the state of North Dakota on the list required under paragraph (a). This restriction expires if North Dakota amends the requirements for obtaining a class 1 carry permit after March 18, 2015, and the commissioner determines that North Dakota's law is not similar to this section."

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

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 307, A bill for an act relating to transportation; commerce; providing for proof of insurance in electronic format; amending Minnesota Statutes 2014, section 169.791, subdivisions 1, 2.

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

The report was adopted.

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

H. F. No. 316, A bill for an act relating to human services; modifying the nursing facility reimbursement system; amending Minnesota Statutes 2014, sections 256B.0915, subdivision 3a; 256B.441, subdivisions 1, 5, 13, 14, 17, 30, 31, 35, 48, 50, 51, 51a, 53, 54, 56, by adding subdivisions; repealing Minnesota Statutes 2014, section 256B.441, subdivisions 14a, 19, 50a, 52, 55, 58, 62.

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 to which was referred:

H. F. No. 321, A bill for an act relating to health occupations; providing for an interstate medical licensure compact project; proposing coding for new law in Minnesota Statutes, chapter 147.

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

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 322, A bill for an act relating to public safety; clarifying legislators' privilege from arrest; specifying that driving while impaired constitutes a breach of the peace for purposes of the Constitution; amending Minnesota Statutes 2014, section 3.151; proposing coding for new law in Minnesota Statutes, chapters 3; 169A.

Reported the same back with the following amendments:

Page 2, line 7, delete "169A.79" and insert "609.0225"

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 to which was referred:

H. F. No. 328, A bill for an act relating to securities regulation; providing an exemption from regulation for crowdfunding transactions; proposing coding for new law in Minnesota Statutes, chapter 80A.

Reported the same back with the following amendments:

Page 3, line 13, delete "public accountant who is independent of the MNvest issuer" and insert "certified public accountant firm licensed under chapter 326A"

Page 3, line 15, delete "public accountant who is"

Page 3, line 16, delete "independent of the MNvest issuer" and insert "certified public accountant firm licensed under chapter 326A"

Page 3, line 34, after "managers" insert ", as provided to the escrow agent by the portal operator."

Page 9, after line 32, insert:

"**Subd. 8. Portal operator; privacy of purchaser information.** (a) For purposes of this subdivision, "personal information" means information provided to a portal operator by a prospective purchaser or purchaser that identifies, or can be used to identify, the prospective purchaser or purchaser.

(b) Except as provided in paragraph (c), a portal operator must not disclose personal information without written or electronic consent from the prospective purchaser or purchaser that authorizes the disclosure.

(c) Paragraph (b) does not apply to:

(1) records required to be provided to the administrator under subdivision 7, paragraph (e);

(2) the disclosure of personal information to a MNvest issuer relating to its MNvest offering; or

(3) the disclosure of personal information to the extent required or authorized under other law."

Renumber the subdivisions in sequence

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 437, A bill for an act relating to family law; establishing a legislative surrogacy commission; providing appointments; requiring a report.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **LEGISLATIVE SURROGACY COMMISSION.**

Subdivision 1. Membership. The Legislative Commission on Surrogacy shall consist of 15 members, appointed as follows:

(1) three members of the senate appointed by the senate majority leader;

(2) three members of the senate appointed by the senate minority leader;

(3) three members of the house of representatives appointed by the speaker of the house of representatives;

(4) three members of the house of representatives appointed by the house of representatives minority leader;

(5) the commissioner of human services or the commissioner's designee;

(6) the commissioner of health or the commissioner's designee; and

(7) a family court referee appointed by the chief justice of the state Supreme Court.

Appointments must be made by June 1, 2015.

Subd. 2. **Chair.** The commission shall elect a chair from among its members.

Subd. 3. **First meeting.** The ranking majority member of the commission who is appointed by the senate majority leader shall convene the first meeting by July 1, 2015.

Subd. 4. **Compensation.** Members of the commission are compensated as provided in Minnesota Statutes, section 3.101.

Subd. 5. **Conflict of interest.** A commission member may not participate in or vote on a decision of the commission in which the member has either a direct or indirect personal financial interest. A witness at a public meeting of the commission must disclose any financial conflict of interest.

Subd. 6. **Duties.** The commission shall develop recommendations on public policy and laws regarding surrogacy. To develop the recommendations, the commission shall study surrogacy through public hearings, research, and deliberation. Topics for study include, but are not limited to:

(1) potential health and psychological effects and benefits on women who serve as surrogates;

(2) potential health and psychological effects and benefits on children born of surrogates;

(3) business practices of the fertility industry, including attorneys, brokers, and clinics;

(4) considerations related to different forms of surrogacy;

(5) considerations related to the potential exploitation of women in surrogacy arrangements;

(6) contract law implications when a surrogacy contract is breached;

(7) potential conflicts with statutes governing private adoption and termination of parental rights;

(8) potential for legal conflicts related to third-party reproduction, including conflicts between or amongst the surrogate mother, the intended parents, the child, insurance companies, and medical professionals;

(9) public policy determinations of other jurisdictions with regard to surrogacy; and

(10) information to be provided to a child born of a surrogate about the child's biological and gestational parents.

Subd. 7. **Reporting.** The commission must submit a report including its recommendations and may draft legislation to implement its recommendations to the chairs and ranking minority members of the legislative committees with primary jurisdiction over health and judiciary in the house and senate by December 15, 2015. On topics where the commission fails to reach consensus, a majority and minority report shall be issued.

Subd. 8. **Staffing.** The Legislative Coordinating Commission shall provide staffing and administrative support to the commission.

Subd. 9. **Expiration.** The commission expires the day after submitting the report required under subdivision 7.

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

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

The report was adopted.

Garofalo from the Committee on Job Growth and Energy Affordability Policy and Finance to which was referred:

H. F. No. 438, A bill for an act relating to economic development; adopting the Minnesota New Markets Jobs Act; providing capital for business growth in economically distressed communities; imposing penalties; requiring a report; proposing coding for new law as Minnesota Statutes, chapter 116X.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[116X.01] TITLE.**

This chapter is titled and may be cited as the "Minnesota New Markets Jobs Act."

Sec. 2. **[116X.02] DEFINITIONS.**

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

Subd. 2. **Affiliate.** (a) For the purposes of subdivision 10, the term "affiliate" includes:

(1) any entity, without regard to whether the entity is a qualified community development entity under subdivision 10, that is the initial holder, either directly or through one or more special purpose entities, of a qualified equity investment in the qualified community development entity; and

(2) any entity, without regard to whether the entity is a qualified community development entity under subdivision 10, that provides insurance or any other form of guaranty to the ultimate recipient of tax credits under section 116X.03 with respect to a recapture or forfeiture of tax credits under section 116X.06, either directly or through the guaranty of any other economic benefit that is paid in lieu of the tax credits allowable under section 116X.03.

(b) The determination of whether an entity is an affiliate must be made by taking into account all relevant facts and circumstances, including the description of the proposed amount, structure, and initial purchaser of the qualified equity investment required by section 116X.05, subdivision 1, clause (4), and the determination assumes that the information provided pursuant to section 116X.05, subdivision 1, clause (4), is true and complete as of the date an application is submitted pursuant to section 116X.05.

Subd. 3. **Applicable percentage.** "Applicable percentage" means zero percent for the first two credit allowance dates, eight percent for the third through sixth credit allowance dates, and seven percent for the seventh credit allowance date.

Subd. 4. **Code.** "Code" or "the Code" means the Internal Revenue Code of 1986 as amended through the date in section 290.01, subdivision 19.

Subd. 5. **Credit allowance date.** "Credit allowance date" means with respect to any qualified equity investment:

(1) the date on which the investment is initially made; and

(2) each of the six anniversary dates of that date thereafter.

Subd. 6. **Department.** "Department" means the Department of Employment and Economic Development.

Subd. 7. **Long-term debt security.** "Long-term debt security" means any debt instrument issued by a qualified community development entity at par value with an original maturity date of at least seven years from the date of its issuance, with no acceleration of repayment, amortization, or prepayment features prior to its original maturity date. The qualified community development entity that issues the debt instrument must not make cash interest payments on the debt instrument during the period beginning on the date of issuance and ending on the final credit allowance date in an amount that exceeds the cumulative operating income, as defined by regulations adopted under section 45D of the Code of the qualified community development entity for that period prior to giving effect to the expense of the cash interest payments. This subdivision does not limit the holder's ability to accelerate payments on the debt instrument in situations where the issuer has defaulted on covenants designed to ensure compliance with this section or section 45D of the Code.

Subd. 8. **Purchase price.** "Purchase price" means the amount paid to the issuer of a qualified equity investment for such qualified equity investment.

Subd. 9. **Qualified active low-income community business.** (a) "Qualified active low-income community business" means a business as defined in section 45D of the Code and Code of Federal Regulations, title 26, section 1.45D-1, and that is engaged primarily in a qualified high-technology field, as defined in section 116J.8737, subdivision 2, paragraph (g), clause (1), manufacturing, mining, or forestry. A business is considered a qualified active low-income community business for the duration of the qualified community development entity's investment in, or loan to, the business if the entity reasonably expects, at the time it makes the investment or loan, that the business will continue to satisfy the requirements for being a qualified active low-income community business, throughout the entire period of the investment or loan.

(b) Qualified active low-income community business excludes any business that derives or projects to derive 15 percent or more of its annual revenue from activities described in section 116J.8737, subdivision 2, paragraph (c), clause (4).

Subd. 10. **Qualified community development entity.** (a) "Qualified community development entity" has the meaning given in section 45D of the Code, provided that the entity has entered into, for the current year or any prior year, an allocation agreement with the Community Development Financial Institutions Fund of the United States Department of the Treasury with respect to credits authorized by section 45D of the Code, which includes Minnesota within the service area set forth in the allocation agreement. The term includes subsidiary community development entities or affiliates of any qualified community development entity, all of which are treated as a single applicant for purposes of section 116X.05.

(b) Qualified community development entity excludes any regulated financial institution that is subject to the Community Reinvestment Act of 1977, United States Code, title 12, chapter 30, or any subsidiary or affiliate of a regulated financial institution.

(c) Paragraph (b) does not apply to a regulated financial institution, or its subsidiary or affiliate, if the regulated financial institution is chartered by, or headquartered in, Minnesota and the regulated financial institution otherwise meets the requirements of paragraph (a).

**Subd. 11. Qualified equity investment.** (a) "Qualified equity investment" means any equity investment in, or long-term debt security issued by, a qualified community development entity that:

(1) is acquired after January 1, 2016, at its original issuance solely in exchange for cash;

(2) has at least 100 percent of its cash purchase price used by the issuer to make qualified low-income community investments in qualified active low-income community businesses located in this state by the first anniversary of the initial credit allowance date; and

(3) is designated by the issuer as a qualified equity investment under this subdivision and is certified by the department as not exceeding the limitation contained in section 116X.05, subdivision 4.

(b) Notwithstanding the restrictions on transferability contained in section 116X.04, this term includes any qualified equity investment that does not meet the provisions of paragraph (a) if the investment:

(1) is transferred to a subsequent holder; and

(2) was a qualified equity investment in the hands of any prior holder.

(c) Qualified equity investment does not include:

(1) any investment that entitles the holder to claim tax credits under section 45D of the Code; or

(2) any investment, the proceeds of which are used to make debt or equity investments in, directly or indirectly, any other qualified community development entity.

**Subd. 12. Qualified low-income community investment.** "Qualified low-income community investment" means any capital or equity investment in, or loan to, any qualified active low-income community business. With respect to any one qualified active low-income community business, the maximum amount of qualified low-income community investments that may be made in the business, on a collective basis with all of its affiliates, with the proceeds of qualified equity investments that have been certified under section 116X.05 is \$10,000,000 whether made by one or several qualified community development entities.

**Subd. 13. Refundable performance fee.** "Refundable performance fee" means a fee that a qualified community development entity seeking to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under section 116X.05 must pay to the department as assurance of compliance with certain requirements of this chapter. The amount of the fee equals one-half of one percent of the amount of the equity investment or long-term debt security requested to be designated as a qualified equity investment, up to a maximum performance fee of \$500,000.

**Subd. 14. State premium tax liability.** "State premium tax liability" means any liability incurred by any entity under chapter 297L.

Sec. 3. **[116X.03] CREDIT ESTABLISHED.**

(a) Any entity that makes a qualified equity investment earns a vested right to credit against the entity's state premium tax liability on a premium tax report filed under this section that may be utilized as described in paragraphs (b) to (e).

(b) On each credit allowance date of the qualified equity investment, the entity, or subsequent holder of the qualified equity investment, is entitled to utilize a portion of the credit during the taxable year, including the credit allowance date.

(c) The credit amount equals the applicable percentage for the credit allowance date multiplied by the purchase price paid to the issuer of the qualified equity investment.

(d) The amount of the credit claimed by an entity must not exceed the amount of the entity's state premium tax liability for the tax year for which the credit is claimed. Any amount of tax credit that the entity is prohibited from claiming in a taxable year as a result of this chapter may be carried forward for use in any subsequent taxable year.

(e) An entity claiming a credit under this chapter is not required to pay any additional retaliatory tax levied under section 297I.05 as a result of claiming that credit. In addition, it is the intent of this section that an entity claiming a credit under this chapter is not required to pay any additional tax that may arise as a result of claiming that credit.

Sec. 4. **[116X.04] TRANSFERABILITY.**

No tax credit claimed under this chapter is refundable or saleable on the open market. However, a participating investor may transfer credits to an affiliated insurance company, if it notifies the department in writing. Tax credits earned by a partnership, limited liability company, S corporation, or other "pass-through" entity may be allocated to the partners, members, or shareholders of the entity for their direct use in accordance with the provisions of any agreement among those partners, members, or shareholders. Any allocation of tax credits made to a partner, member, or shareholder in accordance with this section is not considered a sale of such tax credits for purposes of this chapter.

Sec. 5. **[116X.05] CERTIFICATION OF QUALIFIED EQUITY INVESTMENTS.**

Subdivision 1. **Application.** A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under this chapter may apply to the department on or after January 1, 2017. The application must include the following:

(1) evidence of the applicant's certification as a qualified community development entity, including evidence of the service area of the entity that includes Minnesota;

(2) a copy of the allocation agreement executed by the applicant, or its controlling entity, and the Community Development Financial Institutions Fund under section 116X.02, subdivision 10;

(3) a certificate executed by an executive officer of the applicant attesting that the allocation agreement remains in effect and has not been revoked or canceled by the Community Development Financial Institutions Fund;

(4) a description of the proposed amount, structure, and initial purchaser of the qualified equity investment;

(5) the minimum amount of the qualified equity investment the qualified community development entity is willing to accept if the amount proposed to be certified under clause (4) is less than the applicant's proposed amount of qualified equity investment;

(6) a plan describing the proposed investment of the proceeds of the qualified equity investment, including the types of qualified active low-income community businesses in which the applicant expects to invest. Applicants are not required to identify qualified active low-income community businesses in which they will invest when submitting an application;

(7) a nonrefundable application fee of \$5,000. This fee must be paid to the department and is required for each application submitted; and

(8) the refundable performance fee required by section 116X.08.

Subd. 2. **Consideration of application.** Within 30 days after receipt of a completed application containing the information in subdivision 1, including the payment of the application fee and the refundable performance fee, the department shall grant or deny the application in full or in part. If the department denies any part of the application, it shall inform the qualified community development entity of the grounds for the denial. If the qualified community development entity provides any additional information required by the department or otherwise completes its application within 15 days of the notice of denial, the application is considered completed as of the original date of submission. If the qualified community development entity fails to provide the information or complete its application within the 15-day period, the application remains denied and must be resubmitted in full with a new submission date.

Subd. 3. **Certification.** If the application required under this section is complete, the department shall certify the proposed equity investment or long-term debt security as a qualified equity investment that is eligible for tax credits under this chapter, subject to the limitations in subdivision 5. The department shall provide written notice of the certification to the qualified community development entity. The notice must include the name of the initial purchaser of the qualified equity investment and the credit amount. Before any tax credits are claimed under this chapter, the qualified community development entity shall provide written notice to the department of the names of the entities eligible to claim the credits as a result of holding a qualified equity investment. If the names of the entities that are eligible to utilize the credits change due to a transfer of a qualified equity investment or an allocation or affiliate transfer pursuant to section 116X.04, the qualified community development entity shall notify the department of the change.

Subd. 4. **Amount certified.** The department shall certify \$250,000,000 in qualified equity investments. The department shall certify qualified equity investments in the order applications are received by the department. Applications received on the same day are deemed to have been received simultaneously. For applications that are complete and received on the same day, the department shall certify, consistent with remaining qualified equity investment capacity, the qualified equity investments in proportionate percentages based upon the ratio of the amount of qualified equity investment requested in an application to the total amount of qualified equity investments requested in all applications received on the same day. If any amount of qualified equity investment that would be certified under this section is less than the acceptable minimum amount specified in the application as required by subdivision 1, clause (5), the application is deemed withdrawn and the amount of qualified equity investment is proportionately allocated among the other applicants pursuant to this subdivision.

Subd. 5. **Transfer of authority.** An approved applicant may transfer all or a portion of its certified qualified equity investment authority to its controlling entity or any subsidiary qualified community development entity of the controlling entity, if the applicant provides the information required in the application with respect to the transferee and the applicant notifies the department of the transfer within 30 days of the transfer.

Subd. 6. **Cash investment.** Within 60 days of the applicant receiving notice of certification, the qualified community development entity, or any transferee under subdivision 5, shall issue the qualified equity investment and receive cash in the amount of the certified amount. The qualified community development entity or transferee under subdivision 5 must provide the department with evidence of the receipt of the cash investment within ten

business days after receipt. If the qualified community development entity or any transferee under subdivision 5 does not receive the cash investment and issue the qualified equity investment within 60 days following receipt of the certification notice, the certification lapses and the entity may not issue the qualified equity investment without reapplying to the department for certification. Lapsed certifications revert back to the department and must be reissued, first, pro rata to other applicants whose qualified equity investment allocations were reduced under subdivision 4 and, thereafter, in accordance with the application process.

**Sec. 6. [116X.06] DISALLOWANCE OF TAX CREDITS AND PENALTIES.**

(a) The department shall disallow the utilization of any tax credits earned as a result of holding a qualified equity investment, but not yet claimed, if:

(1) the issuer redeems or makes principal repayment with respect to a qualified equity investment prior to the seventh anniversary of the issuance of the qualified equity investment. In this case, the department's disallowance of unclaimed tax credits are proportionate to the amount of the redemption or repayment with respect to the qualified equity investment;

(2) the issuer fails to invest an amount equal to 100 percent of the purchase price of the qualified equity investment in qualified low-income community investments in Minnesota within 12 months of the issuance of the qualified equity investment and maintain at least 100 percent of the level of investment in qualified low-income community investments in Minnesota until the last credit allowance date for the qualified equity investment. For purposes of this section, an investment is considered held by an issuer even if the investment has been sold or repaid if the issuer reinvests an amount equal to the capital returned to or recovered by the issuer from the original investment, exclusive of any profits realized, in another qualified low-income community investment within 12 months of the receipt of the capital. An issuer is not required to reinvest capital returned from qualified low-income community investments after the sixth anniversary of the issuance of the qualified equity investment, if proceeds were used to make the qualified low-income community investment, and the qualified low-income community investment is considered to be held by the issuer through the seventh anniversary of the qualified equity investment's issuance; or

(3) there is any violation of section 116X.10.

(b) Notwithstanding any contrary provision, any tax credit already claimed under this chapter is not subject to recapture upon the occurrence of an event set forth in paragraph (a), clause (1) or (2).

(c) If the department disallows the utilization of tax credits under this section, it may also, at its discretion, impose penalties on the qualified community development entity that issued the qualified equity investment for which tax credits are disallowed, not to exceed the amount of the refundable performance fee required under section 116X.08 and without regard to whether the fee has been refunded to the qualified community development entity.

**Sec. 7. [116X.07] NOTICE OF NONCOMPLIANCE.**

Enforcement of each of the disallowance and penalty provisions is subject to a six-month cure period. No disallowance or penalty may be imposed until the qualified community development entity has been given notice of noncompliance and afforded six months from the date of the notice to cure the noncompliance.

**Sec. 8. [116X.08] REFUNDABLE PERFORMANCE FEE.**

Subdivision 1. **Performance guarantee amount.** A qualified community development entity that seeks to have an equity investment or long-term debt security designated as a qualified equity investment and eligible for tax credits under this section shall pay a refundable performance fee to the department for deposit in the new markets performance guarantee account, which is hereby established. The following amounts are forfeited to the department:

(1) the performance fee in its entirety if the qualified community development entity and its subsidiary qualified community development entities fail to issue the total amount of qualified equity investments certified by the department and receive cash in the total amount certified under section 116X.05, subdivision 3; or

(2) the amount of the performance fee equal to the product of the original amount of the refundable performance fee multiplied by the percentage of the remaining amount of the proceeds of the qualified equity investment not used to make qualified low-income equity investments if the qualified community development entity or any subsidiary qualified community development entity that issues a qualified equity investment certified under this section fails to meet the investment requirement under section 116X.06 by the second credit allowance date of the qualified equity investment. Forfeiture of the fee or any portion thereof under this paragraph is subject to the six-month cure period established under section 116X.07.

Subd. 2. **Request for refund.** The fee required under subdivision 1 must be paid to the department and held in the new markets performance guarantee account until compliance with subdivision 1 is established. The qualified community development entity may request a refund of the fee from the department no sooner than 30 days after it meets all the requirements of subdivision 1. The department has 30 days to comply with the request or give notice of noncompliance.

Sec. 9. **[116X.09] PREAPPROVAL OF INVESTMENTS.**

Before making a proposed qualified low-income community investment, a qualified community development entity may request from the department a written determination that the proposed investment will qualify as a qualified low-income community investment and will satisfy all applicable provisions of this chapter. The department must notify a qualified community development entity within ten business days from the receipt of a request of its determination and an explanation thereof. Any determination made by the department pursuant to this section is binding on the department.

Sec. 10. **[116X.10] USE OF PROCEEDS PROHIBITED.**

A qualified active low-income community business that receives a qualified low-income community investment under this chapter, or any affiliates of a qualified active low-income community business, may not directly or indirectly use the proceeds of the qualified active low-income community investment to lend to or invest in a qualified community development entity or member or affiliate of a qualified community development entity where the proceeds of the loan or investment are directly or indirectly used to fund or refinance the purchase of a qualified equity investment under this chapter.

Sec. 11. Minnesota Statutes 2014, section 297I.20, is amended by adding a subdivision to read:

Subd. 4. **New markets tax credit.** (a) For purposes of this subdivision, "qualified equity investment" has the meaning given in section 116X.02, subdivision 11.

(b) An insurance company that makes a qualified equity investment may claim a credit against the premiums tax imposed under this chapter equal to the amount provided under section 116X.03.

(c) This credit does not affect the calculation of police and fire aid under section 69.021.

Sec. 12. **EFFECTIVE DATE.**

Sections 1 to 11 are effective the day following final enactment, and apply to premium tax returns originally due on or after December 31, 2015."

Delete the title and insert:

"A bill for an act relating to taxation; economic development; adopting the Minnesota New Markets Jobs Act; amending Minnesota Statutes 2014, section 297I.20, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 116X."

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

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 446, A bill for an act relating to family law; allowing allocation of income tax dependency exemptions in child support matters; amending Minnesota Statutes 2014, section 518A.38, by adding a subdivision.

Reported the same back with the following amendments:

Page 2, line 15, delete "reasonable" and after the second "and" insert "reasonable attorney"

Page 2, line 20, delete "reasonable" and after "and" insert "reasonable attorney"

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 512, A bill for an act relating to child support; modifying computation of child support obligations; modifying parenting time expense adjustment; amending Minnesota Statutes 2014, sections 518A.26, subdivision 14; 518A.34; 518A.36, subdivisions 1, 2; repealing Minnesota Statutes 2014, section 518A.36, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **CHILD SUPPORT WORK GROUP.**

(a) A child support work group is established to review the parenting expense adjustment in Minnesota Statutes, section 518A.36, and to identify and recommend changes to the parenting expense adjustment.

(b) Members of the work group shall include:

(1) two members of the house of representatives, one appointed by the speaker of the house and one appointed by the minority leader;

(2) two members of the senate, one appointed by the majority leader and one appointed by the minority leader;

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

(4) one staff member from the Child Support Division of the Department of Human Services, appointed by the commissioner;

(5) one representative of the Minnesota State Bar Association, Family Law section, appointed by the section;

(6) one representative of the Minnesota County Attorney's Association, appointed by the association;

(7) one representative of the Minnesota Legal Services Coalition, appointed by the coalition;

(8) one representative of the Minnesota Family Support and Recovery Council, appointed by the council; and

(9) two representatives from parent advocacy groups, one representing custodial parents and one representing noncustodial parents, appointed by the commissioner of human services.

The commissioner, or the commissioner's designee, shall appoint the work group chair.

(c) The work group shall be authorized to retain the services of an economist to help create an equitable parenting expense adjustment formula. The work group may hire an economist by use of a sole-source contract.

(d) The work group shall issue a report to the chairs and ranking minority members of the legislative committees with jurisdiction over civil law, judiciary, and health and human services by January 15, 2016. The report must include recommendations for changes to the computation of child support and recommendations on the composition of a permanent child support task force.

(e) Terms, compensation, and removal of members and the filling of vacancies are governed by Minnesota Statutes, section 15.059.

(f) The work group expires January 16, 2016.

**Sec. 2. CHILD SUPPORT WORK GROUP.**

\$...... in fiscal year 2016 is appropriated from the general fund to the commissioner of human services for facilitation of the duties of the child support work group."

Delete the title and insert:

"A bill for an act relating to family law; establishing a child support work group; appropriating money."

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 538, A bill for an act relating to campaign finance; repealing the political contribution refund; repealing the public subsidy program and related expenditure limits; amending Minnesota Statutes 2014, sections 10A.01, subdivision 26; 10A.105, subdivision 1; 10A.257, subdivision 1; 270A.03, subdivision 7; 289A.50,

subdivision 1; 290.01, subdivision 6; repealing Minnesota Statutes 2014, sections 10A.25, subdivisions 1, 2, 2a, 3, 3a, 5, 10; 10A.255, subdivisions 1, 3; 10A.30; 10A.31, subdivisions 1, 3, 3a, 4, 5, 5a, 6, 6a, 7, 7a, 10, 10a, 10b, 11; 10A.315; 10A.321; 10A.322, subdivisions 1, 2, 4; 10A.323; 10A.324, subdivisions 1, 3; 13.4967, subdivision 2; 290.06, subdivision 23; Minnesota Rules, parts 4503.1400, subparts 2, 3, 4, 5, 6, 7, 8, 9; 4503.1450.

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

The report was adopted.

Gunther from the Committee on Greater Minnesota Economic and Workforce Development Policy to which was referred:

H. F. No. 551, A bill for an act relating to workforce development; requiring the commissioner of labor and industry to identify competency standards for dual training; creating a dual training competency grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 116L; 175.

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.

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

H. F. No. 627, A bill for an act relating to long-term care; modifying nursing facility employee scholarship costs; modifying the list of health professionals eligible for the health professional education loan forgiveness program; appropriating money; amending Minnesota Statutes 2014, sections 144.1501, subdivisions 1, 2, 3; 256B.431, subdivision 36.

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.

Hackbarth from the Committee on Mining and Outdoor Recreation Policy to which was referred:

H. F. No. 650, A bill for an act relating to taxation; minerals; distributing the proceeds of production taxes on taconite and iron sulphides and merchantable iron ore concentrate produced therefrom; amending Minnesota Statutes 2014, section 298.28, subdivision 2.

Reported the same back with the following amendments:

Page 2, line 5, after the period, insert "The following unorganized territories in St. Louis County qualify for allocations under this paragraph:

(1) 56-17;

(2) 58-22;

(3) 59-16;

(4) 59-21;

(5) 60-18; and

(6) 60-19.

Allocations to an unorganized territory must be based on the production of the taconite mine pit nearest to that unorganized territory, provided that the total allocation based on production of that taconite mining pit must be increased in an amount sufficient to prevent the allocation for an unorganized territory from reducing the allocation to any other municipality. Allocations for an unorganized territory are made to the county, which must use the amount allocated for public infrastructure for the unorganized territory."

Page 2, line 6, after "(c)" insert "Unless otherwise receiving an allocation under paragraph (b)."

Page 2, line 8, after "a" insert "scram iron ore concentrate"

Page 2, delete line 23 and insert:

**"EFFECTIVE DATE. This section is effective beginning with the 2016 distribution."**

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

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 722, A bill for an act relating to public safety; clarifying and delimiting the authority of public officials to disarm individuals at any time; proposing coding for new law in Minnesota Statutes, chapter 624.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 745, A bill for an act relating to veterans preference; modifying certain procedures and rights related to veterans preference; amending Minnesota Statutes 2014, section 197.46.

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. 776, A bill for an act relating to telecommunications; prohibiting regulation of voice-over-Internet protocol service and Internet protocol-enabled service; amending Minnesota Statutes 2014, section 237.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision to read:

**Subd. 9. Voice-over-Internet protocol service.** "Voice-over-Internet protocol service" or "VoIP service" means any service that (1) enables real-time two-way voice communications that originate from or terminate at the user's location in Internet protocol or any successor protocol, and (2) permits users generally to receive calls that originate on the public switched telephone network and terminate calls to the public switched telephone network.

Sec. 2. Minnesota Statutes 2014, section 237.01, is amended by adding a subdivision to read:

**Subd. 10. Internet protocol-enabled service.** "Internet protocol-enabled service" or "IP-enabled service" means any service, capability, functionality, or application provided using Internet protocol, or any successor protocol, that enables an end user to send or receive a communication in Internet protocol format or any successor format, regardless of whether that communication is voice, data, or video.

Sec. 3. **[237.037] VOICE-OVER-INTERNET PROTOCOL SERVICE AND INTERNET PROTOCOL-ENABLED SERVICE.**

**Subdivision 1. Regulation prohibited.** Except as provided in this section, no state agency, including the commission and the Department of Commerce, or political subdivision of this state shall by rule, order, or other means directly or indirectly regulate the entry, rates, terms, quality of service, availability, classification, or any other aspect of VoIP service or IP-enabled service.

**Subd. 2. VoIP regulation.** (a) To the extent permitted by federal law, VoIP service is subject to the requirements of sections 237.49, 237.52, 237.70, and 403.11 with regard to the collection and remittance of the surcharges governed by those sections.

(b) A service provider required by state or federal law to provide 911 service must comply with all the requirements of chapter 403 regarding the provision of 911 service by a service provider.

**Subd. 3. Relation to other law.** Nothing in this section restricts, creates, expands, or otherwise affects or modifies:

(1) the commission's authority under the Federal Communications Act of 1934, United States Code, title 47, sections 251 and 252;

(2) any applicable wholesale tariff or any commission authority related to wholesale services;

(3) any commission jurisdiction over (i) intrastate switched access rates, terms, and conditions, including the implementation of federal law with respect to intercarrier compensation, or (ii) existing commission authority to address or affect the resolution of disputes regarding intercarrier compensation;

(4) the rights of any entity, or the authority of the commission and local government authorities, with respect to the use and regulation of public rights-of-way under sections 237.162 and 237.163; or

(5) the establishment or enforcement of standards, requirements or procedures in procurement policies, internal operational policies, or work rules of any state agency or political subdivision of the state relating to the protection of individual property.

Subd. 4. **Exemption.** The following services delivered by IP-enabled service are not regulated under this chapter:

(1) video services provided by a cable communications system, as defined in section 238.02, subdivision 3; or

(2) cable service, as defined in United States Code, title 47, section 522, clause (6); or

(3) any other IP-enabled video service."

Delete the title and insert:

"A bill for an act relating to telecommunications; prohibiting regulation of voice-over-Internet protocol service and Internet protocol-enabled service; amending Minnesota Statutes 2014, section 237.01, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 237."

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

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

H. F. No. 780, A bill for an act relating to taxation; individual income; providing a tax credit for modification or improvements to homes of people with disabilities; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; GRANTS FOR ACCESSIBILITY HOME MODIFICATIONS.**

Subdivision 1. **Definitions.** (a) For purposes of this section, the following terms have the meanings given, unless the context clearly requires otherwise.

(b) "Accommodate" means to make a residence accessible for a qualified person in a manner that is necessary because the qualified person has a disability or that is necessary because the qualified person is 65 or older and has a disability or another physical limit.

(c) "Federal poverty guidelines" means the federal poverty guidelines published by the United States Department of Health and Human Services most recently before the first day of the calendar year in which the taxable year began.

(d) "Medical provider" means a physician, licensed under Minnesota Statutes, chapter 147, or a primary care provider as defined in Minnesota Statutes, section 148.171, subdivision 17a.

(e) "Qualified modifications or improvements" means modifications or improvements to the taxpayer's principal residence, as used in section 121 of the Internal Revenue Code and located in this state, to accommodate a qualified person and must:

(1) consist of one or more of the following:

(i) no-step exterior entrances;

(ii) exterior or interior ramps;

(iii) stairway lifts;

(iv) elevators;

(v) lifts;

(vi) handrails;

(vii) grab bars or reinforcement of grab bars;

(viii) door hardware;

(ix) widening exterior doors to more than 36 inches;

(x) widening interior doors to more than 32 inches;

(xi) widening hallways to more than 36 inches;

(xii) fire or smoke alarms;

(xiii) alerting devices;

(xiv) moving electrical service including, but not limited to, outlets and switches;

(xv) environmental controls including, but not limited to, heating and cooling equipment;

(xvi) bathroom modifications including, but not limited to, accessible toilets, bathtubs, showers, plumbing, and fixtures;

(xvii) kitchen modifications including, but not limited to, accessible countertops, cabinets, appliances, plumbing, and fixtures; and

(xviii) bedroom modifications including, but not limited to, relocation to an accessible space in the home;

(2) be certified by a medical provider as necessary to accommodate the qualified person's use of the residence;

(3) consist of improvements to real property following their installation; and

(4) not be the construction of a new residence or an addition to a residence that expands its living area beyond the items in clause (1).

(f) "Qualified person" means a taxpayer, the taxpayer's spouse, or the taxpayer's dependent, as defined in section 152 of the Internal Revenue Code, who has attained the age of 65 before the close of the taxable year or who has a disability, as defined in Minnesota Statutes, section 363A.03, subdivision 12.

Subd. 2. **Grants; eligibility.** The commissioner of housing finance shall provide grants to qualified persons for qualified modifications and improvements to accommodate their home. The grants shall be available to homeowners whose annual income is less than 450 percent of the federal poverty guidelines. The homeowner must provide documentation from a medical provider that modifications and improvements are necessary to accommodate the qualified person.

Subd. 3. **Appropriation.** \$2,000,000 in fiscal year 2016 and \$2,000,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of the Housing Finance Agency for grants pursuant to this section to homeowners to accommodate qualified persons who need qualified modifications or improvements to their homes due to age or disability. A percentage of this amount may be used by the Housing Finance Agency for the administration of the grants program."

Delete the title and insert:

"A bill for an act relating to housing; providing grants for home modifications for accessibility; appropriating money."

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 782, A bill for an act relating to local governments; providing for reverse referendum approval of certain issuance of debt; proposing coding for new law in Minnesota Statutes, chapter 416.

Reported the same back with the recommendation that the bill be re-referred to the Property Tax and Local Government Finance Division.

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 805, A bill for an act relating to public safety; establishing a working group to study and make recommendations on establishing a Silver Alert system; requiring a report.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 827, A bill for an act relating to children; extending the Task Force on the Protection of Children.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **LEGISLATIVE TASK FORCE; CHILD PROTECTION.**

(a) A legislative task force is created to:

(1) review the efforts being made to implement the recommendations of the Governor's Task Force on the Protection of Children;

(2) expand the efforts into related areas of the child welfare system; and

(3) identify additional areas within the child welfare system that need to be addressed by the legislature.

(b) The four legislative members of the governor's task force shall be the members of the legislative task force. They may appoint up to eight legislators as ex officio members of the task force.

(c) The task force may provide oversight and monitoring of:

(1) the efforts by the Department of Human Services, counties, and tribes to implement laws related to child protection;

(2) efforts by the Department of Human Services, counties, and tribes to implement the recommendations of the Governor's Task Force on the Protection of Children;

(3) efforts by agencies, including but not limited to, the Minnesota Department of Education, the Minnesota Housing Finance Agency, the Minnesota Department of Corrections, and the Minnesota Department of Public Safety, to work with the Department of Human Services to assure safety and well-being for children at risk of harm or children in the child welfare system;

(4) efforts by the Department of Human Services, other agencies, counties, and tribes to implement best practices to ensure every child is protected from maltreatment and neglect and to ensure every child has the opportunity for healthy development.

(d) The task force, in cooperation with the commissioner of human services, shall issue a report to the legislature and governor on February 1, 2016. The report must contain information on the progress toward implementation of changes to the child protection system, recommendations for additional legislative changes, and procedures affecting child protection and child welfare; and funding needs to implement recommended changes.

(e) The task force shall convene upon enactment of this act and shall continue until the last day of the 2016 legislative session."

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon and insert "establishing a legislative task force on child protection."

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 to which was referred:

H. F. No. 840, A bill for an act relating to elections; modifying various provisions related to elections administration, including provisions related to school boards, voters, ballots, registration, violations, absentee ballots, candidates, vacancies, recounts, filing fees, and precincts; modifying military and overseas absentee voting provisions; providing the Uniform Faithful Presidential Electors Act; making various technical changes; amending Minnesota Statutes 2014, sections 123B.09, subdivision 1; 200.02, subdivisions 7, 23, by adding subdivisions; 201.071, subdivision 1; 201.158; 201.275; 203B.01, subdivision 3; 203B.07, subdivision 1; 203B.08, subdivisions 1, 3; 203B.121, subdivision 2; 203B.16, subdivisions 1, 2; 203B.17, subdivisions 1, 2; 204B.06, subdivision 1b; 204B.07, subdivision 2; 204B.13, subdivisions 1, 2, 5; 204B.131, subdivision 1; 204B.19, subdivision 6; 204B.36, subdivisions 1, 2, 3, 4; 204B.44; 204B.45, subdivision 2; 204C.04, subdivision 2; 204C.08, subdivision 1d; 204C.13, subdivisions 2, 3, 5; 204C.22, subdivisions 3, 4, 7, 10; 204C.35, subdivisions 1, 2; 204C.36, subdivisions 1, 2; 204C.40, subdivision 2; 204D.11, subdivision 4; 204D.27, subdivision 11; 205.13, subdivision 3; 206.90, subdivision 6; 208.02; 208.03; 208.06; 209.01, subdivision 2; 209.021, subdivisions 2, 3; 209.09, subdivision 2; 365.22, subdivisions 2, 3; 367.31, subdivision 4; 368.85, subdivision 4; 376.04; 412.551, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 208; repealing Minnesota Statutes 2014, sections 204B.14, subdivision 6; 204C.13, subdivision 4; 204C.30, subdivision 1; 208.07; 208.08; 383A.555.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

The report was adopted.

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

H. F. No. 864, A bill for an act relating to insurance fraud; establishing an administrative penalty for insurance fraud; providing that certain persons convicted of insurance fraud may not enforce contracts for no-fault benefits; establishing a crime for accident victim solicitation; amending Minnesota Statutes 2014, sections 45.0135, by adding a subdivision; 65B.44, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 609.

Reported the same back with the following amendments:

Page 1, line 11, delete the comma

Page 1, line 12, delete "upon recommendation of the Commerce Fraud Bureau"

Page 1, line 24, before "value" insert "funds or"

Page 2, delete lines 9 and 10 and insert:

"(f) After imposing a penalty under this subdivision, a person has 30 days from receipt of the notice of the penalty to notify the commissioner in writing that the person intends to contest the penalty through a hearing. The hearing request must specifically identify the penalty being contested and state the grounds for contesting it. If the person fails to notify the commissioner that the person intends to contest the penalty, the penalty is final and is not subject to further judicial or administrative review. If a person notifies the commissioner that the person intends to contest a penalty issued under this subdivision, the Office of Administrative Hearings shall conduct a hearing in accordance with the applicable provisions of chapter 14 for hearings in contested cases."

Page 3, delete lines 10 and 11

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

The report was adopted.

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

H. F. No. 880, A bill for an act relating to education; postsecondary; providing loan forgiveness to individuals teaching in agricultural education; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136A.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 906, A bill for an act relating to civil actions; modifying certain protections related to public participation in government; amending Minnesota Statutes 2014, sections 554.01, subdivision 6; 554.05; proposing coding for new law in Minnesota Statutes, chapter 554; repealing Minnesota Statutes 2014, section 604A.34.

Reported the same back with the recommendation that 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. 948, A bill for an act relating to lawful gambling; making changes relating to games, licensing, reporting, and other regulatory provisions; making technical, clarifying, and conforming changes; amending Minnesota Statutes 2014, sections 349.12, subdivisions 3c, 18; 349.16, by adding a subdivision; 349.161, by adding a subdivision; 349.163, by adding a subdivision; 349.1635, by adding a subdivision; 349.1641; 349.165, subdivision 5; 349.166; 349.168, subdivision 8; 349.169; 349.17, subdivisions 3, 7, 9; 349.1721, subdivision 4; 349.173; 349.181, subdivision 3; 349.19, subdivisions 2, 5; 349.211, subdivision 2; repealing Minnesota Statutes 2014, section 349.19, subdivision 9b.

Reported the same back with the following amendments:

Page 1, line 14, after "where" insert "on-sale"

Page 1, line 15, after "gambling" insert "and consents to the conduct of bar bingo on the premises"

Page 3, after line 10, insert:

"Sec. 5. Minnesota Statutes 2014, section 349.163, subdivision 9, is amended to read:

Subd. 9. **Sales required.** No licensed manufacturer may refuse to sell gambling equipment to a licensed distributor unless:

- (1) a specific type of gambling equipment sold on an exclusive basis is at issue;
- (2) the manufacturer does not sell gambling equipment to any distributor in Minnesota;
- (3) a Minnesota statute or rule prohibits the sale; or

(4) the distributor is delinquent on any payment owed to the manufacturer.

This subdivision does not apply to application software and those computer programs used by a licensed manufacturer in the production, play, and reporting of board-approved electronic pull-tab games or electronic bingo games.

**EFFECTIVE DATE.** This section is effective July 1, 2015."

Page 3, line 19, after "returned" insert "defective"

Page 5, line 1, delete the new language

Page 7, line 16, after "effective" insert "the day following final enactment"

Page 8, line 3, strike "When required by the board,"

Page 8, line 4, after "file" insert ", by the 20th of each month." and after "director" insert "a list of all gambling equipment that"

Page 8, line 5, delete "inventory" and strike "at which the"

Page 8, line 6, delete "sold or leased" and strike "all gambling equipment"

Page 8, line 7, delete the new language and insert "sold or leased in the preceding month"

Page 10, line 16, after "pull-tabs" insert "and consents to the conduct of electronic pull-tab devices on the premises"

Page 14, line 4, delete "\$1,000" and insert "\$2,000"

ReNUMBER the sections in sequence and correct the internal references

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 to which was referred:

H. F. No. 953, A bill for an act relating to real property; clarifying the mortgage foreclosure by advertisement publication requirements; amending Minnesota Statutes 2014, sections 580.15; 582.25; proposing coding for new law in Minnesota Statutes, chapter 580.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[580.033] WHERE NOTICE PUBLISHED.**

Subdivision 1. Notice of sale; publication. (a) For purposes of this chapter, publication of the notice of sale shall be sufficient if it occurs:

(1) in a qualified newspaper having its known office of issue located in the county where the mortgaged premises, or some part thereof, are located; or

(2) in a qualified newspaper having its known office of issue located in an adjoining county and the publisher of the newspaper in the sworn affidavit of publication required by section 331A.07 states that a substantial portion of the newspaper's circulation is in the county where the mortgaged premises, or some part thereof, are located.

(b) In both cases, the affidavit of publication shall also state the city and county where the newspaper's known office of issue is located, and that the newspaper complies with the conditions described in clause (1) or (2).

Subd. 2. **Definitions.** As used in this section, "known office of issue" is defined as provided in section 331A.01, subdivision 2, and "qualified newspaper" is defined as provided in section 331A.01, subdivision 8.

Sec. 2. Minnesota Statutes 2014, section 582.25, is amended to read:

**582.25 MORTGAGES; VALIDATING FORECLOSURE SALES.**

Every mortgage foreclosure sale by advertisement in this state under power of sale contained in any mortgage duly executed and recorded in the office of the county recorder or registered with the registrar of titles of the proper county of this state, together with the record of such foreclosure sale, is, after expiration of the period specified in section 582.27, hereby legalized and made valid and effective to all intents and purposes, as against any or all of the following objections:

(1) that the power of attorney, recorded or filed in the proper office provided for by section 580.05:

(i) did not definitely describe and identify the mortgage;

(ii) did not definitely describe and identify the mortgage, but instead described another mortgage between the same parties;

(iii) did not have the corporate seal affixed thereto, if executed by a corporation;

(iv) had not been executed and recorded or filed prior to sale, or had been executed prior to, but not recorded or filed until after such sale;

(v) was executed subsequent to the date of the printed notice of sale or subsequent to the date of the first publication of such notice;

(2) that no power of attorney to foreclose such mortgage as provided in section 580.05, was ever given, or recorded, or registered;

(3) that the notice of sale:

(i) was published only three, four or five times, or that it was published six times but not for six weeks prior to the date of sale;

(ii) properly described the property to be sold in one or more of the publications thereof but failed to do so in the other publications thereof, the correct description having been contained in the copy of said notice served on the occupant of the premises;

(iii) correctly stated the date of the month and hour and place of sale but named a day of the week which did not fall on the date given for such sale, or failed to state or state correctly the year of such sale;

(iv) correctly described the real estate but omitted the county and state in which said real estate is located;

(v) correctly described the land by government subdivision, township and range, but described it as being in a county other than that in which said mortgage foreclosure proceedings were pending, and other than that in which said government subdivision was actually located;

(vi) did not state the amount due or failed to state the correct amount due or claimed to be due;

(vii) incorrectly stated the municipal status of the place where the sale was to occur;

(viii) in one or more of the publications thereof, or in the notice served on the occupant or occupants designated either a place or a time of sale other than that stated in the certificate of sale;

(ix) failed to state the names of one or more of the assignees of the mortgage and described the subscriber thereof as mortgagee instead of assignee;

(x) failed to state or incorrectly stated the name of the mortgagor, the mortgagee, or assignee of mortgagee;

(xi) was not served upon persons whose possession of the mortgaged premises was otherwise than by their personal presence thereon, if a return or affidavit was recorded or filed as a part of the foreclosure record that at a date at least four weeks prior to the sale the mortgaged premises were vacant and unoccupied;

(xii) was not served upon all of the parties in possession of the mortgaged premises, provided it was served upon one or more of such parties;

(xiii) was not served upon the persons in possession of the mortgaged premises, if, at least two weeks before the sale was actually made, a copy of the notice was served upon the owner in the manner provided by law for service upon the occupants, or the owner received actual notice of the proposed sale;

(xiv) gave the correct description at length, and an incorrect description by abbreviation or figures set off by the parentheses, or vice versa;

(xv) was served personally upon the occupants of the premises as such, but said service was less than four weeks prior to the appointed time of sale;

(xvi) did not state the original principal amount secured, or failed to state the correct original principal amount secured;

(4) that distinct and separate parcels of land were sold together as one parcel and to one bidder for one bid for the whole as one parcel;

(5) that no authenticated copy of the order appointing, or letters issued to a foreign representative of the estate of the mortgagee or assignee, was properly filed or recorded, provided such order or letters have been filed or recorded in the proper office prior to one year after the last day of the redemption period of the mortgagor, the mortgagor's personal representatives or assigns;

(6) that a holder of a mortgage was a representative appointed by a court of competent jurisdiction in another state or county in which before the foreclosure sale an authenticated copy of the representative's letters or other record of authority were filed for record in the office of the county recorder of the proper county but no certificate was filed and recorded therewith showing that said letters or other record of authority were still in force;

(7)(i) that said mortgage was assigned by a decree of a court exercising probate jurisdiction in which decree the mortgage was not specifically or sufficiently described;

(ii) that the mortgage foreclosed had been assigned by the final decree of the court exercising probate jurisdiction to the heirs, devisees, or legatees of the deceased mortgagee, or the mortgagee's assigns, and subsequent thereto and before the representative of the estate had been discharged by order of the court, the representative had assigned the mortgage to one of the heirs, devisees, or legatees named in such final decree, and such assignment placed on record and the foreclosure proceedings conducted in the name of such assignee and without any assignment of the mortgage from the heirs, devisees, or legatees named in such final decree, and the mortgaged premises bid in at the sale by such assignee, and the sheriff's certificate of sale, with accompanying affidavits recorded in the office of the county recorder of the proper county;

(iii) that a mortgage owned by joint tenants or tenants in common was foreclosed by only one tenant;

(8) that the sheriff's certificate of sale or the accompanying affidavits and return of service were not executed, filed or recorded within 20 days after the date of sale, but have been executed and filed or recorded prior to the last day of the redemption period of the mortgagor, the mortgagor's personal representatives or assigns;

(9) that the year, or the month, or the day, or the hour of the sale is omitted or incorrectly or insufficiently stated in the notice of sale or the sheriff's certificate of sale;

(10)(i) that prior to the foreclosure no registration tax was paid on the mortgage, provided such tax had been paid prior to one year after the last day of the redemption period of the mortgagor, the mortgagor's personal representatives or assigns;

(ii) that an insufficient registration tax has been paid on the mortgage;

(11) that the date of the mortgage or any assignment thereof or the date, the month, the day, hour, book, and page, or document number of the record or filing of the mortgage or any assignment thereof, in the office of the county recorder or registrar of titles is omitted or incorrectly or insufficiently stated in the notice of sale or in any of the foreclosure papers, affidavits or instruments;

(12) that the notice of mortgage foreclosure sale or sheriff's certificate of sale designated the place of sale as the office of a county official located in the court house of the county when such office was not located in such court house;

(13) that no notice of the pendency of the proceedings to enforce or foreclose the mortgage as provided in section 508.57, was filed with the registrar of titles or no memorial thereof was entered on the register at the time of or prior to the commencement of such proceedings; or that when required by section 508.57, the notice of mortgage foreclosure sale failed to state the fact of registration;

(14) that the power of attorney to foreclose or the notice of sale was signed by the person who was the representative of an estate, but failed to state or correctly state the person's representative capacity;

(15) that the complete description of the property foreclosed was not set forth in the sheriff's certificate of sale, if said certificate correctly refers to the mortgage by book and page numbers or document number and date of filing and the premises are accurately described in the printed notice of sale annexed to said foreclosure sale record containing said sheriff's certificate of sale;

(16) that the date of recording of the mortgage was improperly stated in the sheriff's certificate of mortgage foreclosure sale, the mortgage being otherwise properly described in said sheriff's certificate of mortgage foreclosure sale and said certificate of mortgage foreclosure sale further referring to the printed notice of mortgage foreclosure sale attached to said sheriff's certificate of mortgage foreclosure sale in which printed notice the mortgage and its recording was properly described;

(17) that prior to the first publication of the notice of sale in foreclosure of a mortgage by advertisement, an action or proceeding had been instituted for the foreclosure of said mortgage or the recovery of the debt secured thereby and such action or proceeding had not been discontinued;

(18) that at the time and place of sale the sheriff considered and accepted a bid submitted prior to the date of the sale by the owner of the mortgage and sold the mortgaged premises for the amount of such bid, no other bid having been submitted, and no one representing the owner of the mortgage being present at the time and place of sale;

(19) that such sale was postponed by the sheriff to a date or time subsequent to the one specified in the notice of sale but there was no publication or posting of a notice of such postponement;

(20) that there was not recorded with letters or other record of authority issued to a representative appointed by a court of competent jurisdiction in another state or county, a certificate that said letters or other record of authority were still in force and effect;

(21) that the sheriff's affidavit of sale correctly stated in words the sum for which said premises were bid in and purchased by the mortgagee, but incorrectly stated the same in figures immediately following the correct amount in words;

(22) that the notice of pendency of the foreclosure as required by section 580.032 was not filed for record before the first date of publication of the foreclosure notice, but was filed before the date of sale; ~~and~~

(23) that the servicer did not comply with the requirements of section 582.043; and

(24) that the publication of the notice of sale did not comply with section 580.033.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective July 1, 2015."

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 973, A bill for an act relating to human services; appropriating money for the collaboration of community services partners demonstration project.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **HOME AND COMMUNITY-BASED SERVICES INCENTIVE POOL.**

The commissioner of human services shall develop an initiative to provide incentives for innovation in achieving integrated competitive employment, living in the most integrated setting, and other outcomes determined by the commissioner. The commissioner shall seek requests for proposals and shall contract with one or more entities to provide incentive payments for meeting identified outcomes. The initial requests for proposals must be issued by October 1, 2015."

Delete the title and insert:

"A bill for an act relating to human services; directing the commissioner of human services to develop a home and community-based services incentive pool."

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 975, A bill for an act relating to human services; modifying requirements for the State Quality Council and regional quality councils; appropriating money; amending Minnesota Statutes 2014, section 256B.097, subdivisions 3, 4.

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 to which was referred:

H. F. No. 981, A bill for an act relating to health occupations; changing provisions for licensing of optometrists; amending Minnesota Statutes 2014, sections 148.52; 148.54; 148.57; 148.574; 148.575; 148.577; 148.59; 148.603; proposing coding for new law in Minnesota Statutes, chapter 148; repealing Minnesota Statutes 2014, sections 148.571; 148.572; 148.573, subdivision 1; 148.576, subdivisions 1, 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.

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

H. F. No. 1009, A bill for an act relating to human services; setting minimum reimbursement rates under medical assistance for public health nurse home visits; appropriating money for nurse-family partnership programs; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Page 1, line 11, delete "that are evidence-based, intensive, long-term, and" and insert "administered by home visiting programs that meet the United States Department of Health and Human Services criteria for evidence-based models and are identified by the commissioner of health as eligible to be implemented under the Maternal, Infant, and Early Childhood Home Visiting program. Home visits shall be"

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.

Garofalo from the Committee on Job Growth and Energy Affordability Policy and Finance to which was referred:

H. F. No. 1012, A bill for an act relating to human services; modifying residency ratio restrictions for home and community-based settings; amending Minnesota Statutes 2014, section 256B.492.

Reported the same back with the following amendments:

Page 2, after line 29, insert:

**"EFFECTIVE DATE. This section is effective July 1, 2016."**

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1056, A bill for an act relating to public safety; establishing a grant program to assist local law enforcement agencies to develop or expand lifesaver programs that locate lost or wandering persons who are mentally impaired; authorizing rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 299C.

Reported the same back with the following amendments:

Page 2, line 7, after "award" insert ", on a first-come, first-served basis,"

Page 2, line 8, delete everything after the period

Page 2, delete lines 9 and 10

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

The report was adopted.

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

H. F. No. 1066, A bill for an act relating to telecommunications; providing for competitive market regulation for certain local exchange carriers; proposing coding for new law in Minnesota Statutes, chapter 237.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[237.025] COMPETITIVE MARKET REGULATION.**

**Subdivision 1. Definitions.** (a) "Competitive service provider" means a provider of local residential voice service who owns a substantial proportion of the last-mile or loop facilities delivering the service in an exchange service area, without regard to the technology used to deliver the service. "Competitive service provider" includes, but is not limited to, a wireless or Voice over Internet Protocol provider who offers service to a majority of households in an exchange service area with the wireless provider's own facilities and the remainder by roaming through another wireless carrier's facilities, but does not include:

(1) satellite technology;

(2) wireless providers who resell voice services purchased at wholesale;

(3) competitive local exchange carriers who do not who own a substantial proportion of the last-mile or loop facilities over which they provide local residential voice service; or

(4) over-the-top VOIP providers.

(b) "Exchange service area" has the meaning given in Minnesota Rules, part 7810.0100, subpart 15.

(c) "Over-the-top VOIP provider" means a VOIP provider that has no business relationship with the provider of the Internet connection used by the VOIP provider to deliver voice service.

(d) "VOIP" or "Voice over Internet Protocol" means any service that:

(1) enables real-time two-way voice communications that originate from or terminate at the user's location in Internet protocol or any successor protocol; and

(2) permits users to receive calls that originate on the public switched telephone network and terminate calls to the public switched telephone network.

**Subd. 2. Petition.** (a) A local exchange carrier may petition the commission to be regulated under this section in any exchange service area in which the carrier provides local exchange service. The petition must be served on the commission, the department, the Office of the Attorney General, and any other person designated by the commission.

(b) A petition filed under this subdivision must include:

(1) a list of exchange service areas in which the local exchange carrier is seeking to be regulated under this section;

(2) the local services offered by the local exchange carrier in each exchange service area;

(3) a list of alternative providers of local services in each exchange service area;

(4) a description of affiliate relationships the petitioning local exchange carrier has with any other provider of local service in each exchange service area;

(5) documentation demonstrating the loss of local residential voice customers in each local calling area over, at a minimum, the previous five years;

(6) evidence demonstrating that the local exchange carrier satisfies the competitive criteria in subdivision 4 in each exchange service area; and

(7) other information requested by the commission that is relevant to the applicable competitive criteria in subdivision 4.

**Subd. 3. Process; objection; review.** (a) A petition by a local exchange carrier seeking to be regulated under this section shall be reviewed by the commission as provided under this subdivision.

(b) A party objecting to a local exchange carrier's petition must file an objection within 20 days.

(c) If no party objects to a petitioning local exchange carrier's proposed election within 20 days of the filing of the petition, the petition is deemed approved.

(d) If a party raises an objection to a local exchange carrier's petition, the commission must provide interested parties an opportunity to comment on the merits of the petition.

(e) The commission shall make a final determination regarding the petition within 180 days of the date all information required under subdivision 2 was submitted.

(f) In reviewing the petition, the commission may request additional information from the petitioning local exchange carrier and other service providers under the commission's jurisdiction that provide service in the relevant exchange service area.

**Subd. 4. Competitive criteria.** (a) If a petitioning local exchange carrier demonstrates that it serves fewer than 50 percent of the households in an exchange service area, and at least 50 percent of households in the exchange service area can choose voice service from at least one additional competitive service provider, the commission shall approve the petition.

(b) If a petitioning local exchange carrier serves more than 50 percent of the households in an exchange service area, the commission shall approve the petition if the petitioner demonstrates that:

(1) at least 50 percent of households in the exchange service area can choose voice service from at least one additional competitive service provider;

(2) no significant economic, technological, or other barriers to market entry and exit exist; and

(3) no single provider has the ability to maintain prices above competitive levels for a significant period of time or otherwise deter competition.

**Subd. 5. Market regulations.** (a) A local exchange carrier that has received approval from the commission to be regulated under this section in one or more of its exchange service areas shall be subject to regulation as a telecommunications carrier under section 237.035 and as a competitive local exchange carrier in Minnesota Rules, parts 7811.2210 and 7812.2210, as applicable, in the approved exchange service areas. Regulation under this section is effective 30 days after a petition is approved by the commission under subdivision 4.

(b) If a local exchange carrier receives commission approval to be regulated under this section, any existing alternative form of plan, price, or service regulation terminates on the day the regulation under this section becomes effective.

Subd. 6. **Relation to other law.** Nothing in this section affects or modifies:

(1) any entity's obligations or rights, or the commission's authority, under the Federal Communications Act of 1934, United States Code, title 47, sections 251 and 252;

(2) any commission jurisdiction over:

(i) intrastate switched access rates, terms, and conditions, including the implementation of federal law with respect to intercarrier compensation; or

(ii) commission authority to address or affect the resolution of disputes regarding intercarrier compensation; and

(3) the rights of any entity, or the authority of the commission or local government authorities, with respect to the use and regulation of public rights-of-way under sections 237.162 and 237.163.

Subd. 7. **Reexamining applicability of competitive criteria.** The commission may, upon petition or on its own motion, open a proceeding to examine whether the competitive criteria in subdivision 4 continue to be met in an exchange service area in which a local exchange carrier previously received commission approval to be regulated under this section. If the commission determines that the competitive criteria are no longer met, it shall determine the appropriate level of regulation for that provider in that exchange service area.

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

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

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 1085, A bill for an act relating to public safety; enhancing penalties for careless driving resulting in death or great bodily harm; repealing reckless driving; amending Minnesota Statutes 2014, section 169.13, subdivisions 2, 3; repealing Minnesota Statutes 2014, section 169.13, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

"(b) A person shall not race any vehicle upon any street or highway of this state. Any person who willfully compares or contests relative speeds by operating one or more vehicles is guilty of a misdemeanor, whether or not the speed contested or compared is in excess of the maximum speed prescribed by law."

Page 1, line 12, delete "(b)" and insert "(c)" and before "and" insert "or (b)," and delete the comma

Page 1, line 13, delete the comma and after "another" insert a comma

Page 1, line 14, delete "(c)" and insert "(d)"

Page 2, after line 10, insert:

"Sec. 4. **JACQUELYN DEVNEY AND THOMAS CONSIDINE ROADWAY SAFETY ACT.**

If 2015 H. F. No. 1085 is enacted, it may be cited as the Jacquelyn Devney and Thomas Considine Roadway Safety Act."

Renumber the sections in sequence

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. 1090, A bill for an act relating to liquor; creating an 8:00 a.m. on-sale opening time; amending Minnesota Statutes 2014, section 340A.504, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
RECODIFICATION

Section 1. Minnesota Statutes 2014, section 340A.101, is amended by adding a subdivision to read:

Subd. 3a. **Brew pub.** "Brew pub" is a brewer who also holds one or more retail on-sale licenses and who manufactures fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on any licensed premises owned by the brewer, or for off-sale from those licensed premises as permitted in section 340A.24, subdivision 2.

Sec. 2. Minnesota Statutes 2014, section 340A.22, is amended to read:

**340A.22 MICRODISTILLERIES.**

Subdivision 1. **Activities.** (a) A microdistillery licensed under ~~section 340A.301, subdivision 6e, this chapter~~ may provide on its premises samples of distilled spirits manufactured on its premises, in an amount not to exceed 15 milliliters per variety per person. No more than 45 milliliters may be sampled under this paragraph by any person on any day.

(b) A microdistillery can sell cocktails to the public, pursuant to subdivision 2.

Subd. 2. **Cocktail room license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a microdistillery license under ~~section 340A.301, subdivision 6e, this chapter~~ a microdistillery cocktail room license. A microdistillery cocktail room license authorizes on-sale of distilled liquor produced by the distiller for consumption on the premises of or adjacent to one distillery location owned by the distiller. Nothing in this

subdivision precludes the holder of a microdistillery cocktail room license from also holding a license to operate a restaurant at the distillery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A distiller may only have one cocktail room license under this subdivision, and may not have an ownership interest in a distillery licensed under section 340A.301, subdivision 6, paragraph (a).

(c) The municipality shall impose a licensing fee on a distiller holding a microdistillery cocktail room license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

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

(e) No single entity may hold both a cocktail room and taproom license, and a cocktail room and taproom may not be co-located.

Subd. 3. **License; fee.** The commissioner shall establish a fee for licensing microdistilleries that adequately covers the cost of issuing the license and other inspection requirements. The fees shall be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purposes of this subdivision. All other requirements of section 340A.301 apply to a license under this section.

Sec. 3. **[340A.24] BREW PUBS.**

Subdivision 1. **On-sale license.** A brew pub may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in the place of manufacture.

Subd. 2. **Off-sale license.** Notwithstanding section 340A.405, a brew pub that holds an on-sale license issued pursuant to this section may, with the approval of the commissioner, be issued a license by a municipality for off-sale of malt liquor produced and packaged on the licensed premises. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brew pub is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. Packaging of malt liquor for off-sale under this subdivision must comply with section 340A.285.

Subd. 3. **Total retail sales.** A brew pub's total retail sales at on- or off-sale under this section may not exceed 3,500 barrels per year, provided that off-sales may not total more than 500 barrels.

Subd. 4. **Interest in other license.** (a) A brew pub may hold or have an interest in other retail on-sale licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control.

(b) Notwithstanding this prohibition, a brew pub may be an affiliate or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:

(1) manufacture licensed under section 340A.301, subdivision 6, clause (d);

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

(3) manufacture in another state for consumption primarily in a restaurant located in or immediately adjacent to the place of manufacture if the brewer was licensed under section 340A.301, subdivision 6, clause (d), on January 1, 1995.

Subd. 5. **Prohibition.** A brew pub licensed under this chapter may not be licensed as an importer under section 340A.302.

Sec. 4. **[340A.26] BREWER TAPROOMS.**

Subdivision 1. **Brewer taproom license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a brewer's license under section 340A.301, subdivision 6, clause (c), (i), or (j), a brewer taproom license. A brewer taproom license authorizes on-sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer. Nothing in this subdivision precludes the holder of a brewer taproom license from also holding a license to operate a restaurant at the brewery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.

(b) A brewer may only have one taproom license under this subdivision, and may not have an ownership interest in a brew pub.

Subd. 2. **Prohibition.** A municipality may not issue a brewer taproom license to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 250,000 barrels of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

Subd. 3. **Fee.** The municipality shall impose a licensing fee on a brewer holding a brewer taproom license under this subdivision, subject to limitations applicable to license fees under section 340A.408, subdivision 2, paragraph (a).

Subd. 4. **Municipality to inform commissioner.** A municipality shall, within ten days of the issuance of a license under this subdivision, inform the commissioner of the licensee's name and address and trade name, and the effective date and expiration date of the license. The municipality shall also inform the commissioner of a license transfer, cancellation, suspension, or revocation during the license period.

Subd. 5. **Sunday on-sale.** Notwithstanding section 340A.504, subdivision 3, a taproom may be open and may conduct on-sale business on Sundays if authorized by the municipality.

Sec. 5. **[340A.28] SMALL BREWER OFF-SALE.**

Subdivision 1. **License; limitations.** A brewer licensed under section 340A.301, subdivision 6, clause (c), (i), or (j), may be issued a license by a municipality for off-sale of malt liquor at its licensed premises that has been produced and packaged by the brewer. The license must be approved by the commissioner. A brewer may only have one license under this subdivision. The amount of malt liquor sold at off-sale may not exceed 500 barrels annually. Off-sale of malt liquor shall be limited to the legal hours for off-sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off-sale must be removed from the premises before the applicable off-sale closing time at exclusive liquor stores. Packaging of malt liquor for off-sale under this subdivision must comply with section 340A.285.

Subd. 2. **Prohibition.** A municipality may not issue a license under this section to a brewer if the brewer seeking the license, or any person having an economic interest in the brewer seeking the license or exercising control over the brewer seeking the license, is a brewer that brews more than 20,000 barrels of its own brands of malt liquor annually or a winery that produces more than 250,000 gallons of wine annually.

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

Sec. 6. **[340A.285] GROWLERS.**

(a) Malt liquor authorized for off-sale pursuant to section 340A.24 or 340A.28 shall be packaged in 64-ounce containers commonly known as "growlers" or in 750 milliliter bottles. The containers or bottles shall bear a twist-type closure, cork, stopper, or plug. At the time of sale, a paper or plastic adhesive band, strip, or sleeve shall be applied to the container or bottle and extended over the top of the twist-type closure, cork, stopper, or plug forming a seal that must be broken upon opening the container or bottle. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or bottles shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brew pub or brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100.

(b) A brew pub or brewer may, but is not required to, refill any container or bottle with malt liquor for off-sale at the request of the customer. A brew pub or brewer refilling a container or bottle must do so at its licensed premises and the container or bottle must be filled at the tap at the time of sale. A container or bottle refilled under this paragraph must be sealed and labeled in the manner described in paragraph (a).

Sec. 7. Minnesota Statutes 2014, section 340A.301, is amended to read:

**340A.301 MANUFACTURERS, BREWERS, AND WHOLESALERS LICENSES.**

Subdivision 1. **Licenses required.** No person may directly or indirectly manufacture or sell at wholesale intoxicating liquor, or 3.2 percent malt liquor without obtaining an appropriate license from the commissioner, except where otherwise provided in this chapter. A manufacturer's license includes the right to import. A licensed brewer may sell the brewer's products at wholesale only if the brewer has been issued a wholesaler's license. The commissioner shall issue a wholesaler's license to a brewer only if (1) the commissioner determines that the brewer was selling the brewer's own products at wholesale in Minnesota on January 1, 1991, or (2) the brewer has acquired a wholesaler's business or assets under subdivision 7a, paragraph (c) or (d). A licensed wholesaler of intoxicating malt liquor may sell 3.2 percent malt liquor at wholesale without an additional license.

Subd. 2. **Persons eligible.** (a) Licenses under this section may be issued only to a person who:

(1) is of good moral character and repute;

(2) is 21 years of age or older;

(3) has not had a license issued under this chapter revoked within five years of the date of license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested; and

(4) has not been convicted within five years of the date of license application of a felony, or of a willful violation of a federal or state law, or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of alcoholic beverages. The Alcohol and Gambling Enforcement Division may require that fingerprints be taken and may forward the fingerprints to the Federal Bureau of Investigation for purposes of a criminal history check.

(b) In order to determine if an individual has a felony or willful violation of federal or state law governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage, the applicant for a license to manufacture or sell at wholesale must provide the commissioner with their signed, written informed consent to conduct a background check. The commissioner may query the Minnesota criminal history repository for records on the applicant. If the commissioner conducts a national criminal history record check, the commissioner must obtain fingerprints from the applicant and forward them and the required fee to the superintendent of the Bureau of Criminal Apprehension. The superintendent may exchange the fingerprints with the Federal Bureau of Investigation for purposes of obtaining the applicant's national criminal history record information. The superintendent shall return the results of the national criminal history records check to the commissioner for the purpose of determining if the applicant is qualified to receive a license.

Subd. 3. **Application.** An application for a license under this section must be made to the commissioner on a form the commissioner prescribes and must be accompanied by the fee specified in subdivision 6. If an application is denied, \$100 of the amount of any fee exceeding that amount shall be retained by the commissioner to cover costs of investigation.

Subd. 4. **Bond.** The commissioner may not issue a license under this section to a person who has not filed a bond with corporate surety, or cash, or United States government bonds payable to the state. The proof of financial responsibility must be approved by the commissioner before the license is issued. The bond must be conditioned on the licensee obeying all laws governing the business and paying when due all taxes, fees, penalties and other charges, and must provide that it is forfeited to the state on a violation of law. This subdivision does not apply to a Minnesota farm winery, licensed under section 340A.315, that is in existence as of January 1, 2010. Bonds must be in the following amounts:

Manufacturers and wholesalers of intoxicating liquor except as provided in this subdivision	\$10,000
Manufacturers and wholesalers of wine up to 25 percent alcohol by weight	\$5,000
Manufacturers and wholesalers of beer of more than 3.2 percent alcohol by weight	\$1,000
Manufacturers and wholesalers of fewer than 20,000 proof gallons	\$2,000
Manufacturers and wholesalers of 20,000 to 40,000 proof gallons	\$3,000

Subd. 5. **Period of license.** Licenses issued under this section are valid for one year except that to coordinate expiration dates initial licenses may be issued for a shorter period.

Subd. 6. **Fees.** The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	\$30,000
Duplicates	\$3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	\$500
(c) Brewers who manufacture more than 3,500 barrels of malt liquor in a year	\$4,000
(d) <del>Brewers who also hold one or more retail on sale licenses and who manufacture fewer than 3,500 barrels of malt liquor in a year, at any one licensed premises, the entire production of which is solely for consumption on tap on any licensed premises owned by the brewer, or for off sale from those licensed premises as permitted in subdivision 7 Brew pubs. A brewer brew pub licensed under this clause must obtain a separate license for each licensed premises where the brewer brews brew pub produces malt liquor. A brewer licensed under this clause may not be licensed as an importer under this chapter</del>	\$500

(e) Wholesalers (except as provided in clauses (f), (g), and (h))	\$15,000
Duplicates	\$3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	\$3,750
(g) Wholesalers of intoxicating malt liquor	\$1,000
Duplicates	\$25
(h) Wholesalers of 3.2 percent malt liquor	\$10
(i) Brewers who manufacture fewer than 2,000 barrels of malt liquor in a year	\$150
(j) Brewers who manufacture 2,000 to 3,500 barrels of malt liquor in a year	\$500

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Subd. 6a. **Permits and identification cards; fees.** Any person engaged in the purchase, sale, or use for any purpose other than personal consumption of intoxicating alcoholic beverages or ethyl alcohol shall obtain the appropriate regulatory permit and identification card from the commissioner as provided in this subdivision. The fee for each permit, other than one issued to a state or federal agency, is \$35 and must be submitted together with the appropriate application form provided by the commissioner. Identification cards and permits must be issued for a period coinciding with that of the appropriate state or municipal license and are not transferable. In instances where there is no annual license period, cards and permits expire one year after the date of issuance. The authority to engage in the purchase, sale, or use granted by the card or permit may be revoked by the commissioner upon evidence of a violation by the holder of such a card or permit of any of the provisions of chapter 340A or any rule of the commissioner made pursuant to law.

~~Subd. 6b. **Brewer taproom license.** (a) A municipality, including a city with a municipal liquor store, may issue the holder of a brewer's license under subdivision 6, clause (e), (i), or (j), a brewer taproom license. A brewer taproom license authorizes on sale of malt liquor produced by the brewer for consumption on the premises of or adjacent to one brewery location owned by the brewer. Nothing in this subdivision precludes the holder of a brewer taproom license from also holding a license to operate a restaurant at the brewery. Section 340A.409 shall apply to a license issued under this subdivision. All provisions of this chapter that apply to a retail liquor license shall apply to a license issued under this subdivision unless the provision is explicitly inconsistent with this subdivision.~~

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

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

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

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

~~(f) Notwithstanding section 340A.504, subdivision 3, a taproom may be open and may conduct on sale business on Sundays if authorized by the municipality.~~

~~Subd. 6c. **Microdistilleries.** The commissioner shall establish a fee for licensing microdistilleries that adequately covers the cost of issuing the license and other inspection requirements. The fees shall be deposited in an account in the special revenue fund and are appropriated to the commissioner for the purposes of this subdivision.~~

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

~~(b) A brewer may, but is not required to, refill any growler with malt liquor for off sale at the request of a customer. A brewer refilling a growler must do so at its licensed premises and the growler must be filled at the tap at the time of sale. A growler refilled under this paragraph must be sealed and labeled in the manner described in paragraph (a).~~

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

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

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

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

~~(b) A brewer licensed under subdivision 6, clause (d), may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in the place of manufacture. Notwithstanding section 340A.405, a brewer who holds an on-sale license issued pursuant to this paragraph may, with the approval of the commissioner, be issued a license by a municipality for off sale of malt liquor produced and packaged on the licensed premises. Off sale of malt liquor shall be limited to the legal hours for off sale at exclusive liquor stores in the jurisdiction in which the brewer is located, and the malt liquor sold off sale must be removed from the premises before the applicable off sale closing time at exclusive liquor stores. The malt liquor shall be packaged in 64 ounce containers commonly known as "growlers" or in 750 milliliter bottles. The containers or bottles shall bear a twist type closure, cork, stopper, or plug. At the time of the sale, a paper or plastic adhesive band, strip, or sleeve~~

~~shall be applied to the container or bottle and extend over the top of the twist type closure, cork, stopper, or plug forming a seal that must be broken upon opening of the container or bottle. The adhesive band, strip, or sleeve shall bear the name and address of the brewer. The containers or bottles shall be identified as malt liquor, contain the name of the malt liquor, bear the name and address of the brewer selling the malt liquor, and shall be considered intoxicating liquor unless the alcoholic content is labeled as otherwise in accordance with the provisions of Minnesota Rules, part 7515.1100. A brewer may, but is not required to, refill any growler with malt liquor for off sale at the request of a customer. A brewer refilling a growler must do so at its licensed premises and the growler must be filled at the tap at the time of sale. A growler refilled under this paragraph must be sealed and labeled in the manner described in this paragraph. A brewer's total retail sales at on or off sale under this paragraph may not exceed 3,500 barrels per year, provided that off sales may not total more than 500 barrels. A brewer licensed under subdivision 6, clause (d), may hold or have an interest in other retail on sale licenses, but may not have an ownership interest in whole or in part, or be an officer, director, agent, or employee of, any other manufacturer, brewer, importer, or wholesaler, or be an affiliate thereof whether the affiliation is corporate or by management, direction, or control. Notwithstanding this prohibition, a brewer licensed under subdivision 6, clause (d), may be an affiliate or subsidiary company of a brewer licensed in Minnesota or elsewhere if that brewer's only manufacture of malt liquor is:~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Subd. 8. **Sales without license.** A licensed brewer or brew pub may without an additional license sell malt liquor to employees or retired former employees, in amounts of not more than 768 fluid ounces in a week for off-premise consumption only. A collector of commemorative bottles, those terms are as defined in section 297G.01, subdivisions 4 and 5, may sell them to another collector without a license. It is also lawful for a collector of beer cans to sell unopened cans of a brand which has not been sold commercially for at least two years to another collector without obtaining a license. The amount sold to any one collector in any one month shall not exceed 768 fluid ounces. A licensed manufacturer of wine containing not more than 25 percent alcohol by volume nor less than 51 percent wine made from Minnesota-grown agricultural products may sell at on-sale or off-sale wine made on the licensed premises without a further license.

Subd. 9. **Unlicensed manufacture.** (a) Nothing in this chapter requires a license for the natural fermentation of fruit juices or brewing of beer in the home for family use.

(b) Naturally fermented fruit juices or beer made under this subdivision may be removed from the premises where made for use at organized affairs, exhibitions, or competitions, including, but not limited to, homemaker's contests, tastings, or judging.

(c) For purposes of this subdivision, "tastings" means an event where the general public may sample unlicensed naturally fermented fruit juices or beer.

(d) Beverages produced pursuant to this subdivision may be sampled or used in tastings provided that the beverage is made and transported in containers and equipment that shall not allow the migration of toxic substances.

(e) Public notice meeting the requirements of this paragraph must be given in writing or signage at any tasting. The notice shall include disclosure that the unlicensed naturally fermented fruit juices or beer being offered is homemade and not subject to state inspection, and may be consumed by persons over the age of 21 at their own risk. The notice must include the name and address of the person who processed and bottled the beverage.

(f) Naturally fermented fruit juices or beer removed under this subdivision may not be sold or offered for sale.

Sec. 8. **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.

<u>Column A</u>	<u>Column B</u>
<u>340A.301, subdivision 6a</u>	<u>340A.301, subdivision 7</u>
<u>340A.301, subdivision 7</u>	<u>340A.301, subdivision 8</u>
<u>340A.301, subdivision 7a</u>	<u>340A.301, subdivision 9</u>
<u>340A.301, subdivision 8</u>	<u>340A.301, subdivision 10</u>
<u>340A.301, subdivision 9</u>	<u>340A.301, subdivision 11</u>

(b) The revisor of statutes shall make all necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the amendments and renumbering in this act.

(c) The revisor of statutes shall transfer any changes made in article 2 into the recodification made in article 1.

Sec. 9. **EFFECTIVE DATE.**

This article is effective the day following final enactment.

ARTICLE 2  
MISCELLANEOUS ALCOHOL PROVISIONS

Section 1. Minnesota Statutes 2014, section 340A.22, is amended by adding a subdivision to read:

Subd. 4. **Off-sale bottles.** A microdistillery may sell any product manufactured on-site at off-sale, subject to the following requirements:

- (1) off-sale hours of sale must conform to hours of sale for retail off-sale outlets in the licensing municipality;
- (2) bottles must be sold at no less than 140 percent of the price wholesalers charge for sale of the same product to an off-sale licensee;
- (3) no brand may be sold at the microdistillery unless it is also available for distribution by wholesalers;
- (4) if requested by an off-sale retailer, the microdistillery must make available to customers any brochure listing their product for sale at a licensed retailer;
- (5) no more than one 750 milliliter or two 375 milliliter bottles may be sold per customer per day;
- (6) no more than 12,000 liters of product may be sold per year; and

(7) a quarterly report on total sales, and total bottle sales at the microdistillery, must be made to the commissioner, in a manner approved by the commissioner.

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

Sec. 2. Minnesota Statutes 2014, section 340A.301, subdivision 6d, is amended to read:

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

(b) A brewer may, but is not required to, refill any growler with malt liquor for off-sale at the request of a customer. A brewer refilling a growler must do so at its licensed premises and the growler must be filled at the tap at the time of sale. A growler refilled under this paragraph must be sealed and labeled in the manner described in paragraph (a).

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

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

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

(f) A brewer licensed under this section must report quarterly to the commissioner, in a manner approved by the commissioner, on the total amount of product sold in the form of bottles or growlers.

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

Sec. 3. Minnesota Statutes 2014, section 340A.301, subdivision 7, is amended to read:

Subd. 7. **Interest in other business.** (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, importer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section to a manufacturer, brewer, importer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, importer, or wholesaler. A manufacturer or wholesaler of intoxicating

liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

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

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

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

Sec. 4. Minnesota Statutes 2014, section 340A.404, subdivision 2, is amended to read:

**Subd. 2. Special provision; city of Minneapolis.** (a) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater, the Cricket Theatre, the Orpheum Theatre, the State Theatre, and the Historic Pantages Theatre, notwithstanding the limitations of law, or local ordinance, or charter provision relating to zoning or school or church distances. The licenses authorize sales on all days of the week to holders of tickets for performances presented by the theaters and to members of the nonprofit corporations holding the licenses and to their guests.

(b) The city of Minneapolis may issue an intoxicating liquor license to 510 Groveland Associates, a Minnesota cooperative, for use by a restaurant on the premises owned by 510 Groveland Associates, notwithstanding limitations of law, or local ordinance, or charter provision.

(c) The city of Minneapolis may issue an on-sale intoxicating liquor license to Zuhrah Shrine Temple for use on the premises owned by Zuhrah Shrine Temple at 2540 Park Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(d) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Association of University Women, Minneapolis branch, for use on the premises owned by the American Association of University Women, Minneapolis branch, at 2115 Stevens Avenue South in Minneapolis, notwithstanding limitations of law, or local ordinances, or charter provisions relating to zoning or school or church distances.

(e) The city of Minneapolis may issue an on-sale wine license and an on-sale 3.2 percent malt liquor license to a restaurant located at 5000 Penn Avenue South, and an on-sale wine license and an on-sale malt liquor license to a restaurant located at 1931 Nicollet Avenue South, notwithstanding any law or local ordinance or charter provision.

(f) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Brave New Workshop Theatre located at 3001 Hennepin Avenue South, the Theatre de la Jeune Lune, the Illusion Theatre located at 528 Hennepin Avenue South, the Hollywood Theatre located at 2815 Johnson Street Northeast, the Loring Playhouse located at 1633 Hennepin Avenue South, the Jungle Theater located at 2951 Lyndale Avenue South, Brave New Institute located at 2605 Hennepin Avenue South, the Guthrie Lab located at 700 North First Street, and the Southern Theatre located at 1420 Washington Avenue South, notwithstanding any law or local ordinance or charter provision. The license authorizes sales on all days of the week.

(g) The city of Minneapolis may issue an on-sale intoxicating liquor license to University Gateway Corporation, a Minnesota nonprofit corporation, for use by a restaurant or catering operator at the building owned and operated by the University Gateway Corporation on the University of Minnesota campus, notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(h) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Walker Art Center's concessionaire or operator, for a restaurant and catering operator on the premises of the Walker Art Center, notwithstanding limitations of law, or local ordinance or charter provisions. The license authorizes sales on all days of the week.

(i) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Guthrie Theater's concessionaire or operator for a restaurant and catering operator on the premises of the Guthrie Theater, notwithstanding limitations of law, local ordinance, or charter provisions. The license authorizes sales on all days of the week.

(j) The city of Minneapolis may issue an on-sale wine license and an on-sale malt liquor license to the Minnesota Book and Literary Arts Building, Inc.'s concessionaire or operator for a restaurant and catering operator on the premises of the Minnesota Book and Literary Arts Building, Inc. (dba Open Book), notwithstanding limitations of law, or local ordinance or charter provision. The license authorizes sales on all days of the week.

(k) The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5411 Penn Avenue South, notwithstanding any law or local ordinance or charter provision.

(l) The city of Minneapolis may issue an on-sale intoxicating liquor license to the Museum of Russian Art's concessionaire or operator for a restaurant and catering operator on the premises of the Museum of Russian Art located at 5500 Stevens Avenue South, notwithstanding any law or local ordinance or charter provision.

(m) The city of Minneapolis may issue an on-sale intoxicating liquor license to the American Swedish Institute or to its concessionaire or operator for use on the premises owned by the American Swedish Institute at 2600 Park Avenue South, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

(n) Notwithstanding any other law, local ordinance, or charter provision, the city of Minneapolis may issue one or more on-sale intoxicating liquor licenses to the Minneapolis Society of Fine Arts (dba Minneapolis Institute of Arts), or to an entity holding a concessions or catering contract with the Minneapolis Institute of Arts for use on the premises of the Minneapolis Institute of Arts. The licenses authorized by this subdivision 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 licenses authorize sales on all days of the week.

(o) The city of Minneapolis may issue an on-sale intoxicating liquor license to Norway House or to its concessionaire or operator for use on the premises owned by Norway House at 913 East Franklin Avenue, notwithstanding limitations of law, or local ordinances, or charter provision relating to zoning or school or church distances.

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

Sec. 5. Minnesota Statutes 2014, section 340A.504, subdivision 3, is amended to read:

Subd. 3. **Intoxicating liquor; Sunday sales; on-sale.** (a) A restaurant, club, bowling center, or hotel with a seating capacity for at least 30 persons and which holds an on-sale intoxicating liquor license may sell intoxicating liquor for consumption on the premises in conjunction with the sale of food between the hours of ~~10:00~~ 8:00 a.m. on Sundays and 2:00 a.m. on Mondays.

(b) An establishment serving intoxicating liquor on Sundays must obtain a Sunday license. The license must be issued by the governing body of the municipality for a period of one year, and the fee for the license may not exceed \$200.

(c) A city may issue a Sunday intoxicating liquor license only if authorized to do so by the voters of the city voting on the question at a general or special election. A county may issue a Sunday intoxicating liquor license in a town only if authorized to do so by the voters of the town as provided in paragraph (d). A county may issue a Sunday intoxicating liquor license in unorganized territory only if authorized to do so by the voters of the election precinct that contains the licensed premises, voting on the question at a general or special election.

(d) An election conducted in a town on the question of the issuance by the county of Sunday sales licenses to establishments located in the town must be held on the day of the annual election of town officers.

(e) Voter approval is not required for licenses issued by the Metropolitan Airports Commission or common carrier licenses issued by the commissioner. Common carriers serving intoxicating liquor on Sunday must obtain a Sunday license from the commissioner at an annual fee of \$75, plus \$30 for each duplicate.

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

Sec. 6. **SPECIAL LICENSE; BECKER.**

Notwithstanding any law or ordinance to the contrary, the city of Becker may issue an on-sale intoxicating liquor license for a golf course that is located at 14000 Clubhouse Lane and is owned by the city. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Becker is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

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

Sec. 7. **SPECIAL LICENSE; DULUTH.**

Notwithstanding any law or ordinance to the contrary, the city of Duluth may issue an on-sale intoxicating liquor license for the Lester Park Golf Course that is located at 1860 Lester River Road and is owned by the city. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Duluth is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

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

Sec. 8. **SPECIAL LICENSE; INVER GROVE HEIGHTS.**

Notwithstanding any law or ordinance to the contrary, the city of Inver Grove Heights may issue an on-sale intoxicating liquor license for the Inver Wood Golf Course that is located at 1850 70th Street and is owned by the city. The provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the license issued under this section. The city of Inver Grove Heights is deemed the licensee under this section, and the provisions of Minnesota Statutes, sections 340A.603 and 340A.604, apply to the license as if the establishment were a municipal liquor store.

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

Sec. 9. **STATE FAIR; BREW PUB SALES.**

Notwithstanding Minnesota Statutes, section 340A.301, subdivision 6, paragraph (d), a brew pub may sell kegs of malt liquor to licensed wholesalers for distribution exclusively to a single retail licensee for sales at a single location by the State Agricultural Society during the annual fair, under Minnesota Statutes, section 37.21, subdivision 2, paragraph (b).

Sec. 10. **POWDERED ALCOHOL POLICY ANALYSIS.**

(a) No person shall manufacture, import, distribute, or sell powdered alcohol until June 1, 2016.

(b) The director of the Division of Alcohol and Gambling Enforcement must prepare testimony for the house of representatives Commerce and Regulatory Reform Committee, and any other relevant committee, about whether current laws could be adequately enforced with regard to the manufacture, importation, distribution, and sale of powdered alcohol. The director may make recommendations for legislation addressing any stated concerns. The testimony required under this paragraph is due by December 7, 2015.

(c) The commissioner of health must prepare testimony for the house of representatives Health and Human Services Reform Committee, and any other relevant committee, about the public health impact of powdered alcohol. The commissioner must address whether there is a potential for greater abuse of and addiction to powdered alcohol relative to malt liquor, wine, and distilled spirits. The commissioner may make recommendations for legislation addressing any stated concerns. The testimony required under this paragraph is due by December 7, 2015.

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

Delete the title and insert:

"A bill for an act relating to liquor; recodifying certain provisions relating to licensing and brewers; providing for the sale and other regulations of liquor; authorizing and establishing various licenses; amending Minnesota Statutes 2014, sections 340A.101, by adding a subdivision; 340A.22; 340A.301; 340A.404, subdivision 2; 340A.504, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 340A."

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1116, A bill for an act relating to taxation; property; modifying rules for restrictions on transfer for divided lands; amending Minnesota Statutes 2014, sections 272.16, subdivision 2; 272.162.

Reported the same back with the following amendments:

Page 1, delete section 1

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 1163, A bill for an act relating to transportation; modifying requirements for issuance of school bus driver's license endorsement; amending Minnesota Statutes 2014, section 171.321, subdivisions 1, 3, by adding subdivisions.

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 to which was referred:

H. F. No. 1167, A bill for an act relating to public safety; motor vehicles; permitting secure electronic storage of certain records; amending Minnesota Statutes 2014, sections 168.33, subdivision 2; 171.061, subdivision 3.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1168, A bill for an act relating to natural resources; establishing requirements for a trail; modifying requirements governing hunting deer; authorizing a beaver season; modifying restrictions on using artificial lights to take fish; authorizing rulemaking relating to spearing and northern pike; authorizing distribution of certain survey information; amending Minnesota Statutes 2014, sections 85.015, subdivision 6; 97A.465, by adding a subdivision; 97B.041; 97B.063; 97B.301, by adding a subdivision; 97C.335; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Rules, part 6264.0400, subparts 27, 28.

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 to which was referred:

H. F. No. 1187, A bill for an act relating to real property; extending the protection of the equity-stripping law to owners of agricultural property; amending Minnesota Statutes 2014, sections 325N.10, subdivisions 2, 7; 325N.17.

Reported the same back with the following amendments:

Page 1, before line 6, insert:

"Section 1. Minnesota Statutes 2014, section 325N.01, is amended to read:

**325N.01 DEFINITIONS.**

The definitions in paragraphs (a) to (h) apply to sections 325N.01 to 325N.09.

(a) "Foreclosure consultant" means any person who, directly or indirectly, makes any solicitation, representation, or offer to any owner to perform for compensation or who, for compensation, performs any service which the person in any manner represents will in any manner do any of the following:

- (1) stop or postpone the foreclosure sale;
- (2) obtain any forbearance from any beneficiary or mortgagee;
- (3) assist the owner to exercise the right of reinstatement provided in section 580.30;
- (4) obtain any extension of the period within which the owner may reinstate the owner's obligation;
- (5) obtain any waiver of an acceleration clause contained in any promissory note or contract secured by a mortgage on a residence in foreclosure or contained in the mortgage;
- (6) assist the owner in foreclosure or loan default to obtain a loan or advance of funds;
- (7) avoid or ameliorate the impairment of the owner's credit resulting from the recording of a notice of default or the conduct of a foreclosure sale;
- (8) save the owner's residence from foreclosure; or

(9) negotiate or modify the terms or conditions of an existing residential mortgage loan.

(b) A foreclosure consultant does not include any of the following:

(1) a person licensed to practice law in this state when the person renders service in the course of the person's practice as an attorney-at-law;

(2) a person licensed as a debt management services provider under chapter 332A, when the person is acting as a debt management services provider as defined in that chapter;

(3) a person licensed as a real estate broker or salesperson under chapter 82 when the person engages in acts whose performance requires licensure under that chapter unless the person is engaged in offering services designed to, or purportedly designed to, enable the owner to retain possession of the residence in foreclosure;

(4) a person licensed as an accountant under chapter 326A when the person is acting in any capacity for which the person is licensed under those provisions;

(5) a person or the person's authorized agent acting under the express authority or written approval of the Department of Housing and Urban Development or other department or agency of the United States or this state to provide services;

(6) a person who holds or is owed an obligation secured by a lien on any residence in foreclosure when the person performs services in connection with this obligation or lien if the obligation or lien did not arise as the result of or as part of a proposed foreclosure reconveyance;

(7) any person or entity doing business under any law of this state, or of the United States relating to banks, trust companies, savings and loan associations, industrial loan and thrift companies, regulated lenders, credit unions, insurance companies, or a mortgagee which is a United States Department of Housing and Urban Development approved mortgagee and any subsidiary or affiliate of these persons or entities, and any agent or employee of these persons or entities while engaged in the business of these persons or entities;

(8) a person licensed as a residential mortgage originator or servicer pursuant to chapter 58, when acting under the authority of that license, except that the provisions of sections 325N.01 to 325N.06, 325N.08, and 325N.09 shall apply to any person operating under a mortgage originator license who negotiates or offers to negotiate the terms or conditions of an existing residential mortgage loan;

(9) a nonprofit agency or organization that has tax-exempt status under section 501(c)(3) of the Internal Revenue Code that offers counseling or advice to an owner of a home in foreclosure or loan default if they do not contract for services with for-profit lenders or foreclosure purchasers, except that they shall comply with the provisions of section 325N.04, clause (1);

(10) a judgment creditor of the owner, to the extent that the judgment creditor's claim accrued prior to the personal service of the foreclosure notice required by section 580.03, but excluding a person who purchased the claim after such personal service; and

(11) a foreclosure purchaser as defined in section 325N.10.

(c) "Foreclosure reconveyance" means a transaction involving:

(1) the transfer of title to real property by a foreclosed homeowner during a foreclosure proceeding, either by transfer of interest from the foreclosed homeowner or by creation of a mortgage or other lien or encumbrance during the foreclosure process that allows the acquirer to obtain title to the property by redeeming the property as a junior lienholder; and

(2) the subsequent conveyance, or promise of a subsequent conveyance, of an interest back to the foreclosed homeowner by the acquirer or a person acting in participation with the acquirer that allows the foreclosed homeowner to possess either the residence in foreclosure or any other real property, which interest includes, but is not limited to, an interest in a contract for deed, purchase agreement, option to purchase, or lease.

(d) "Person" means any individual, partnership, corporation, limited liability company, association, or other group, however organized.

(e) "Service" means and includes, but is not limited to, any of the following:

(1) debt, budget, or financial counseling of any type;

(2) receiving money for the purpose of distributing it to creditors in payment or partial payment of any obligation secured by a lien on a residence in foreclosure;

(3) contacting creditors or servicers to negotiate or offer to negotiate the terms or conditions of an existing residential mortgage loan;

(4) arranging or attempting to arrange for an extension of the period within which the owner of a residence in foreclosure may cure the owner's default and reinstate the owner's obligation pursuant to section 580.30;

(5) arranging or attempting to arrange for any delay or postponement of the time of sale of the residence in foreclosure;

(6) advising the filing of any document or assisting in any manner in the preparation of any document for filing with any bankruptcy court; or

(7) giving any advice, explanation, or instruction to an owner of a residence in foreclosure, which in any manner relates to the cure of a default in or the reinstatement of an obligation secured by a lien on the residence in foreclosure, the full satisfaction of that obligation, or the postponement or avoidance of a sale of a residence in foreclosure, pursuant to a power of sale contained in any mortgage.

(f) "Residence in foreclosure" means residential real property consisting of one to four family dwelling units, one of which the owner occupies as the owner's principal place of residence, or real property that is principally used for farming, as defined in section 500.24, subdivision 2, whether or not parcels are contiguous, so long as the owner occupies one of the parcels as the owner's principal place of residence, where there is a delinquency or default on any loan payment or debt secured by or attached to the residential real property including, but not limited to, contract for deed payments.

(g) "Owner" means the record owner of the residential real property in foreclosure at the time the notice of pendency was recorded, or the summons and complaint served.

(h) "Contract" means any agreement, or any term in any agreement, between a foreclosure consultant and an owner for the rendition of any service as defined in paragraph (e)."

Page 1, delete section 3

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 1209, A bill for an act relating to health; requiring suicide prevention training; requiring a report; appropriating money; amending Minnesota Statutes 2014, sections 122A.09, subdivision 4; 145.56, subdivisions 2, 4.

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.

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

H. F. No. 1217, A bill for an act relating to education; providing for concurrent enrollment; appropriating money; amending Minnesota Statutes 2014, sections 120B.13, subdivision 4; 124D.09, subdivisions 5, 8.

Reported the same back with the following amendments:

Page 1, line 9, delete "desegregated" and insert "disaggregated"

Page 3, after line 5, insert:

"Sec. 4. Minnesota Statutes 2014, section 124D.091, subdivision 1, is amended to read:

Subdivision 1. **Accreditation.** To establish a uniform standard by which concurrent enrollment courses and professional development activities may be measured, postsecondary institutions ~~are encouraged to apply for accreditation by~~ must adopt and implement the National Alliance of Concurrent Enrollment Partnership's program standards and required evidence for accreditation by the 2020-2021 school year and later."

Page 4, after line 7, insert:

"The commissioner shall give priority in awarding grants that are targeted to diverse ethnic, racial, and geographic groups in Minnesota. The commissioner must consider awarding grants to applicant organizations which demonstrate previous successful outreach experience to diverse groups. The commissioner shall determine the application process and the grant amounts."

Page 4, after line 13, insert:

"The commissioner shall determine the application process and the grant amounts."

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 Education Finance.

The report was adopted.

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

H. F. No. 1232, A bill for an act relating to public safety; amending provisions on data privacy, predatory offender registration, evidence, crime victim protections, and criminal defenses relating to sex trafficking; creating new criminal penalties; amending Minnesota Statutes 2014, sections 13.82, subdivision 17; 243.166, subdivision 1b; 609.1095, subdivision 1; 609.324, subdivision 1; 609.325, subdivision 4, by adding a subdivision; 609.3471; 611A.26, subdivisions 1, 6; 617.242, subdivision 6; 628.26.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance.

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 1234, A bill for an act relating to public safety; expanding criminal sexual conduct offenses for persons in current or recent positions of authority over juveniles; amending Minnesota Statutes 2014, sections 609.341, subdivision 10; 609.342, subdivision 1; 609.343, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1.

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 to which was referred:

H. F. No. 1242, A bill for an act relating to data practices; authorizing certain data on disability certificate holders to be released for purposes of enforcing parking restrictions in cities and towns; amending Minnesota Statutes 2014, section 13.69, subdivision 1.

Reported the same back with the following amendments:

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

Page 1, line 13, delete "for purposes of" and insert "data necessary for" and delete the comma and insert "may be released"

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 to which was referred:

H. F. No. 1271, A bill for an act relating to human services; modifying provisions governing group residential housing; establishing background study requirements for providers of group residential housing or supplementary services; authorizing administration of a compliance system for group residential housing; amending Minnesota Statutes 2014, sections 245C.03, by adding a subdivision; 245C.10, by adding a subdivision; 256.017, subdivision 1; 256L.03, subdivisions 3, 7, by adding subdivisions; 256L.04; 256L.05, subdivisions 1c, 1g; 256L.06, subdivisions 2, 6, 7, 8.

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 to which was referred:

H. F. No. 1272, A bill for an act relating to human services; providing for correction orders and conditional licenses for home and community-based services programs; providing for settlement agreements; amending Minnesota Statutes 2014, section 245A.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245A.

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1297, A bill for an act relating to the Metropolitan Council; modifying the membership of the nominating committee; amending Minnesota Statutes 2014, section 473.123, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 473.123, subdivision 2a, is amended to read:

Subd. 2a. **Terms.** 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~~ are staggered as follows: members representing even-numbered districts have terms ending the first Monday in January of the year ending in the numeral "7"; and members representing odd-numbered districts have terms ending the first Monday in January of the year ending in the numeral "5." 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 serves at the pleasure of the governor.~~ 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 from each of the newly drawn council districts 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.

**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. 2. Minnesota Statutes 2014, section 473.123, subdivision 3, is amended to read:

Subd. 3. **Membership; appointment; qualifications.** (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. Each Metropolitan Council member must be an elected city council member or mayor, or county commissioner. A Metropolitan Council member's office becomes vacant if the person appointed to that position ceases to be an elected city council member or mayor, or county commissioner.

(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.

(c) ~~The governor shall create a nominating committee, composed~~ A committee of seven metropolitan citizens ~~appointed by the governor, to shall~~ nominate persons for appointment to the council from districts. Three of the committee members must be local elected officials appointed by Metro Cities, one must be a county commissioner appointed by the Association of Minnesota Counties, and three must be appointed by the governor. 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.

**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. 3. Minnesota Statutes 2014, section 473.123, subdivision 4, is amended to read:

Subd. 4. **Chair; appointment, officers, selection; duties and compensation.** (a) The chair of the Metropolitan Council shall be ~~appointed~~ elected by the ~~governor~~ 16 members of the council as the 17th voting member thereof by and with the advice and consent of the senate to serve at the pleasure of the ~~governor~~ council to represent the metropolitan area at large. Senate confirmation shall be as provided by section 15.066.

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.

**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. The term of the chair of the Metropolitan Council serving on the effective date of this section ends on that date, but the chair may continue serving until a new chair is elected by the council under this section.

Sec. 4. **METROPOLITAN COUNCIL APPOINTMENTS; IMMEDIATE TRANSITION TO STAGGERED TERMS.**

For members serving on the Metropolitan Council on the effective date of this section, other than the chair, members representing even-numbered districts shall serve terms ending the first Monday in January 2019, and members representing odd-numbered districts shall serve terms ending the first Monday in January 2017. Thereafter the term of each member is four years, with terms ending the first Monday in January.

**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."

Delete the title and insert:

"A bill for an act relating to the Metropolitan Council; providing for staggered terms of Metropolitan Council members; modifying the membership of the Metropolitan Council to include local elected officials; providing for the council to select its own chair; modifying the membership of the nominating committee; amending Minnesota Statutes 2014, section 473.123, subdivisions 2a, 3, 4."

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

The report was adopted.

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

H. F. No. 1329, A bill for an act relating to natural resources; modifying invasive species provisions; providing for temporary water surface use controls in construction areas; modifying state parks and trails provisions; modifying requirements for fire training; modifying auxiliary forest provisions; modifying forest bough account; modifying recreational vehicle provisions; providing for review of certain grant-in-aid applications; modifying authority to issue water use permits; amending Minnesota Statutes 2014, sections 84.788, subdivision 5, by adding a subdivision; 84.84; 84.92, subdivisions 8, 9, 10; 84.922, subdivision 4; 84.9256, subdivision 1; 84.928, subdivision 1; 84D.01, subdivisions 13, 15, 17, 18; 84D.03, subdivision 3; 84D.06; 84D.10, subdivision 3; 84D.11, subdivision 1; 84D.12, subdivisions 1, 3; 84D.15, subdivision 3; 85.015, subdivision 28, by adding a subdivision; 85.054, subdivision 12; 86B.201, by adding a subdivision; 88.17, subdivision 3; 88.49, subdivisions 3, 4, 5, 6, 7, 8, 9, 11; 88.491, subdivision 2; 88.50; 88.51, subdivisions 1, 3; 88.52, subdivisions 2, 3, 4, 5, 6; 88.523; 88.53, subdivisions 1, 2; 88.6435, subdivision 4; 103G.271, subdivisions 5, 6a; 282.011, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 84; 85; repealing Minnesota Statutes 2014, sections 88.47; 88.48; 88.49, subdivisions 1, 2, 10; 88.491, subdivision 1; 88.51, subdivision 2; 282.013.

Reported the same back with the following amendments:

Page 5, line 21, before "extreme" insert "right shoulder or the"

Page 11, delete section 26

Page 28, delete section 53

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "providing"

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

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 1341, A bill for an act relating to human services; appropriating money to the Deaf and Hard-of-Hearing Services Division; appropriating money for services for people who are deaf, deafblind, or hard-of-hearing.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **APPROPRIATION; DEAF AND HARD-OF-HEARING SERVICES DIVISION.**

\$750,000 in fiscal year 2016 and \$750,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of human services for the Deaf and Hard-of-Hearing Services Division under Minnesota Statutes, section 256C.233. This appropriation is added to the base. The funds must be used for the following purposes:

(1) to provide linguistically and culturally appropriate mental health services for persons who are deaf, deafblind, or hard-of-hearing;

(2) to ensure that each regional advisory committee meets at least quarterly;

(3) to increase the number of deafblind Minnesotans receiving services;

(4) in consultation with the Commission of Deaf, DeafBlind and Hard of Hearing Minnesotans, to conduct an analysis of how the regional offices and staff are distributed, operated, and funded in order to determine if the current distribution best serves the needs of the deaf, deafblind, and hard-of-hearing community throughout Minnesota, and to report on the analysis and make recommendations by January 15, 2016, to the chairs and ranking minority members of the health and human services committees in the senate and house of representatives;

(5) during fiscal year 2016, to provide direct services to clients and purchase additional technology for the technology labs; and

(6) to conduct an analysis of whether deafblind services are being provided in the best and most efficient way possible, with input from deafblind Minnesotans receiving services.

Sec. 2. **APPROPRIATION; SERVICES FOR PEOPLE WHO ARE DEAF, DEAFBLIND, AND HARD-OF-HEARING.**

\$250,000 in fiscal year 2016 and \$250,000 in fiscal year 2017 are appropriated from the general fund to the commissioner of human services for deaf and hard-of-hearing grants under Minnesota Statutes, section 256C.261. The funds must be used to increase the number of deafblind Minnesotans receiving services. This appropriation is added to the base."

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 to which was referred:

H. F. No. 1342, A bill for an act relating to property; regulating property transfers; enacting amendments to the Uniform Fraudulent Transfer Act recommended by the National Conference of Commissioners on Uniform State Laws for enactment by the states; amending Minnesota Statutes 2014, sections 513.41; 513.42; 513.43; 513.44; 513.45; 513.46; 513.47; 513.48; 513.51; proposing coding for new law in Minnesota Statutes, chapter 513.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1354, A bill for an act relating to public safety; requiring active firefighter deaths to be reported to the state fire marshal; providing continued health insurance coverage to families of noncareer firefighters who die in the line of duty; amending Minnesota Statutes 2014, section 299A.465, subdivision 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 299F.

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

The report was adopted.

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

H. F. No. 1357, A bill for an act relating to civil law; requiring certificates of dissolution; adding requirements to the certificate of dissolution form; amending Minnesota Statutes 2014, section 518.148.

Reported the same back with the following amendments:

Page 1, line 9, before "The" insert "(a)"

Page 1, after line 14, insert:

"(b) In any case where a certificate of dissolution has not been prepared, either party may make a written request for a certificate of dissolution and the court shall approve a request pursuant to this section. The court may require the requesting party or their attorney to prepare the certificate of dissolution and submit the certificate to the court."

Page 1, strike lines 20 and 21

Page 1, line 22, strike "(4)" and insert "(3)"

Page 1, line 23, strike "(5)" and insert "(4)"

Page 2, line 1, strike "(6)"

Page 2, line 3, before "if" insert "(5)"

Page 2, line 8, before the period, insert ", except that subdivision 1, paragraph (b), applies to judgments and decrees granted before, on, or after August 1, 2015"

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

The report was adopted.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 1376, A bill for an act relating to health; modifying the schedules of controlled substances; amending Minnesota Statutes 2014, section 152.02, subdivisions 2, 3, 4, 5, 6.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1406, A bill for an act relating to natural resources; providing for temporary water surface use controls; modifying life jacket requirements; regulating wake surfing; providing for compliance with federal law; modifying provisions to take, possess, and transport wild animals; providing criminal penalties; requiring rulemaking; requiring reports; amending Minnesota Statutes 2014, sections 84D.03, subdivision 3; 86B.201, by adding a subdivision; 86B.313, subdivisions 1, 4; 86B.315; 97A.045, subdivision 11; 97A.057, subdivision 1; 97A.435, subdivision 4; 97A.465, by adding a subdivision; 97B.063; 97B.081, subdivision 3; 97B.085, subdivision 2; 97B.301, by adding a subdivision; 97B.668; 97C.345, by adding a subdivision; 97C.501, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 97A; 97B; repealing Minnesota Statutes 2014, sections 97A.475, subdivision 25; 97B.905, subdivision 3; Minnesota Rules, part 6264.0400, subparts 27, 28.

Reported the same back with the following amendments:

Page 3, delete section 2

Page 9, delete section 15

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after "resources;"

Correct the title numbers accordingly

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. 1408, A bill for an act relating to construction codes; modifying water conditioning installation requirements; amending Minnesota Statutes 2014, sections 326B.50, subdivisions 3, 4, by adding subdivisions; 326B.55; proposing coding for new law in Minnesota Statutes, chapter 326B.

Reported the same back with the following amendments:

Page 1, line 13, delete "two" and insert "1-1/2"

With the recommendation that when so amended 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 to which was referred:

H. F. No. 1460, A bill for an act relating to human services; requiring the commissioner of human services to contract with a vendor to verify the eligibility of medical assistance and MinnesotaCare enrollees; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

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.

Cornish from the Committee on Public Safety and Crime Prevention Policy and Finance to which was referred:

H. F. No. 1463, A bill for an act relating to taxation; individual income; allowing a subtraction for meal expenses of first responders; amending Minnesota Statutes 2014, section 290.01, subdivision 19b.

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

The report was adopted.

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

H. F. No. 1519, A bill for an act relating to lawful gambling; modifying provisions relating to gambling managers; providing for certain raffles; increasing prize limits; prescribing local regulation; amending Minnesota Statutes 2014, sections 349.12, subdivision 19; 349.167, subdivisions 1, 2; 349.173; 349.181, subdivision 2; 349.211, subdivision 1; 349.213, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 11, strike "six months" and insert "90 days"

Page 2, line 3, after "(b)" insert "Except as otherwise provided under this paragraph," and reinstate the stricken language

Page 2, line 4, delete the new language and after the period, insert "If a lawful gambling organization loses its gambling manager or its gambling manager is not capable of performing the manager's duties, an interim gambling manager from another lawful gambling organization may be appointed by the organization with a vacancy to fill the vacant gambling manager position. An interim gambling manager may not serve at an organization with a vacancy for more than 120 days. A gambling manager serving as an interim gambling manager under this paragraph is not required to be a member of the lawful gambling organization with a vacancy at the time the interim manager begins service to the organization with a vacancy."

Page 4, line 26, reinstate the stricken language

Page 4, line 32, reinstate the stricken colon

Page 4, line 33, reinstate the stricken language and delete the period

Page 5, lines 1 to 12, reinstate the stricken language

Page 5, line 12, after the period, insert "All contributions made by the local unit of government or entity selected by the local unit of government to distribute funds contributed under this clause must acknowledge the original source of the funds in all communications, outreach activities, and distribution of funds."

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1529, A bill for an act relating to education; creating Education Savings Accounts for Students with Special Needs Act; appropriating money.

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

The report was adopted.

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

H. F. No. 1539, A bill for an act relating to human services; modifying human services data provisions; amending Minnesota Statutes 2014, sections 13.46, subdivisions 1, 2, 3; 13.461, subdivision 28; 13.4967, by adding a subdivision; 13.69, subdivision 1; 119B.02, subdivision 6; 245C.05, subdivisions 2c, 5; 245C.08, subdivision 2; 256.01, subdivisions 18d, 18e; 256B.04, by adding a subdivision; 626.557, subdivision 12b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 13.46, subdivision 1, is amended to read:

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

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

(b) "Program" includes all programs for which authority is vested in a component of the welfare system according to statute or federal law, including, but not limited to, the aid to families with dependent children program formerly codified in sections 256.72 to 256.87, Minnesota family investment program, temporary assistance for needy families program, medical assistance, general assistance, general assistance medical care, child care assistance program, and child support collections.

(c) "Welfare system" includes:

(1) the Department of Human Services;

(2) local social services agencies;

(3) county welfare agencies;

(4) private licensing agencies;

(5) the public authority responsible for child support enforcement;

(6) human services boards;

(7) community mental health center boards;

(8) state hospitals;

(9) state nursing homes;

(10) the ombudsman for mental health and developmental disabilities;

(11) tribal social services or welfare agencies that are operated by federally recognized tribes and that are under contract to any of the above agencies to the extent specified in the contract; and

(12) persons, agencies, institutions, organizations, and other entities under contract to any of the above agencies to the extent specified in the contract.

(d) "Mental health data" means data on individual clients and patients of community mental health centers, established under section 245.62, mental health divisions of counties and other providers under contract to deliver mental health services, or the ombudsman for mental health and developmental disabilities.

(e) "Fugitive felon" means a person who has been convicted of a felony and who has escaped from confinement or violated the terms of probation or parole for that offense.

(f) "Private licensing agency" means an agency licensed by the commissioner of human services under chapter 245A to perform the duties under section 245A.16.

Sec. 2. Minnesota Statutes 2014, section 13.46, subdivision 3, is amended to read:

Subd. 3. **Investigative data.** (a) Data on persons, including data on vendors of services, licensees, and applicants that is collected, maintained, used, or disseminated by the welfare system in an investigation, authorized by statute, and relating to the enforcement of rules or law are confidential data on individuals pursuant to section 13.02, subdivision 3, or protected nonpublic data not on individuals pursuant to section 13.02, subdivision 13, and shall not be disclosed except:

(1) pursuant to section 13.05;

(2) pursuant to statute or valid court order;

(3) to a party named in a civil or criminal proceeding, administrative or judicial, for preparation of defense; ~~or~~

(4) to provide notices required or permitted by statute; or

(5) for purposes of investigation or prosecution under a criminal, civil, or administrative proceeding related to the administration of a program in the welfare system to:

(i) an agent of the welfare system; or

(ii) a law enforcement officer, an investigator, or a prosecutor acting on behalf of a county, the state, or the federal government.

The data referred to in this subdivision shall be classified as public data upon submission to an administrative law judge or court in an administrative or judicial proceeding. Inactive welfare investigative data shall be treated as provided in section 13.39, subdivision 3.

(b) Notwithstanding any other provision in law, the commissioner of human services shall provide all active and inactive investigative data, including the name of the reporter of alleged maltreatment under section 626.556 or 626.557, to the ombudsman for mental health and developmental disabilities upon the request of the ombudsman.

(c) Notwithstanding paragraph (a) and section 13.39, the existence of an investigation by the commissioner of possible overpayments of public funds to a service provider or recipient may be disclosed if the commissioner determines that it will not compromise the investigation.

Sec. 3. Minnesota Statutes 2014, section 13.461, subdivision 28, is amended to read:

Subd. 28. **Child care assistance program.** Child care assistance program payment data and data collected, maintained, used, or disseminated by the welfare system pertaining to persons selected as legal nonlicensed child care providers by families receiving child care assistance are classified under section 119B.02, subdivision 6.

Sec. 4. Minnesota Statutes 2014, section 13.4967, is amended by adding a subdivision to read:

Subd. 9. **Data on medical assistance applicants and current or former recipients.** Certain data on medical assistance applicants and current or former recipients of medical assistance may be shared according to section 256B.04, subdivision 25.

Sec. 5. Minnesota Statutes 2014, section 13.69, subdivision 1, is amended to read:

Subdivision 1. **Classifications.** (a) The following government data of the Department of Public Safety are private data:

(1) medical data on driving instructors, licensed drivers, and applicants for parking certificates and special license plates issued to physically disabled persons;

(2) other data on holders of a disability certificate under section 169.345, except that data that are not medical data may be released to law enforcement agencies;

(3) Social Security numbers in driver's license and motor vehicle registration records, except that Social Security numbers must be provided to ~~the Department of Revenue for purposes of tax administration, the Department of Labor and Industry for purposes of workers' compensation administration and enforcement, and the Department of Natural Resources for purposes of license application administration; and;~~

(i) the Department of Revenue for purposes of tax administration;

(ii) the Department of Labor and Industry for purposes of workers' compensation administration and enforcement;

(iii) the Department of Human Services for purposes of recovering Minnesota health care program benefits paid for recipients injured in motor vehicle accidents; and

(iv) the Department of Natural Resources for purposes of license application administration; and

(4) data on persons listed as standby or temporary custodians under section 171.07, subdivision 11, except that the data must be released to:

(i) law enforcement agencies for the purpose of verifying that an individual is a designated caregiver; or

(ii) law enforcement agencies who state that the license holder is unable to communicate at that time and that the information is necessary for notifying the designated caregiver of the need to care for a child of the license holder.

The department may release the Social Security number only as provided in clause (3) and must not sell or otherwise provide individual Social Security numbers or lists of Social Security numbers for any other purpose.

(b) The following government data of the Department of Public Safety are confidential data: data concerning an individual's driving ability when that data is received from a member of the individual's family.

Sec. 6. Minnesota Statutes 2014, section 119B.02, subdivision 6, is amended to read:

Subd. 6. **Data.** (a) Data collected, maintained, used, or disseminated by the welfare system pertaining to persons selected as legal nonlicensed child care providers by families receiving child care assistance shall be treated as licensing data as provided in section 13.46, subdivision 4.

(b) Child care assistance program payment data are public when the data relate to a child care assistance program payment made to a licensed child care center or a child care center exempt from licensure that meets one or more of the following criteria:

(1) the center has been disqualified from receiving payment for child care services from the child care assistance program under this chapter due to wrongfully obtaining child care assistance under section 256.98, subdivision 8, paragraph (c);

(2) the center has been refused a child care authorization, has had a child care authorization revoked, has had a payment stopped, or has been denied payment for a bill under section 119B.13, subdivision 6, paragraph (d); or

(3) the center has been investigated for financial misconduct under section 245E.02, resulting in a finding that financial misconduct occurred.

Any payment data that may identify a specific child care assistance recipient or benefits paid on behalf of a specific child care assistance recipient, as determined by the commissioner, are private data on individuals. For purposes of this paragraph, "payment data" means data showing that a child care assistance program payment was made and the amount of child care assistance program payments made to a child care center over a specified time period. Payment data may include the numbers of families and children on whose behalf payments were made over the specified time period.

Sec. 7. Minnesota Statutes 2014, section 245C.05, subdivision 2c, is amended to read:

Subd. 2c. **Privacy notice to background study subject.** (a) Prior to initiating each background study, the entity initiating the study must provide the commissioner's privacy notice to the background study subject required under section 13.04, subdivision 2. The notice must be available through the commissioner's electronic NETStudy and NETStudy 2.0 systems and shall include the information in paragraphs (b) and (c).

(b) The background study subject shall be informed that any previous background studies that received a set-aside will be reviewed, and without further contact with the background study subject, the commissioner may notify the agency that initiated the subsequent background study:

(1) that the individual has a disqualification that has been set aside for the program or agency that initiated the study;

(2) the reason for the disqualification; and

(3) that information about the decision to set aside the disqualification will be available to the license holder upon request without the consent of the background study subject.

(c) The background study subject must also be informed that:

(1) the subject's fingerprints collected for purposes of completing the background study under this chapter must not be retained by the Department of Public Safety, Bureau of Criminal Apprehension, or by the commissioner, but will be retained by the Federal Bureau of Investigation;

(2) effective upon implementation of NETStudy 2.0, the subject's photographic image will be retained by the commissioner, and if the subject has provided the subject's Social Security number for purposes of the background study, the photographic image will be available to prospective employers and agencies initiating background studies under this chapter to verify the identity of the subject of the background study;

(3) 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 subject's name and the date and time the subject's fingerprints were recorded and sent, only as necessary for auditing and billing activities;

(4) the commissioner shall provide the subject notice, as required in section 245C.17, subdivision 1, paragraph (a), when an entity initiates a background study on the individual;

(5) the subject may request in writing a report listing the entities that initiated a background study on the individual as provided in section 245C.17, subdivision 1, paragraph (b);

(6) the subject may request in writing that information used to complete the individual's background study in NETStudy 2.0 be destroyed if the requirements of section 245C.051, paragraph (a), are met; and

(7) notwithstanding clause (6), the commissioner shall destroy:

(i) the subject's photograph after a period of two years when the requirements of section 245C.051, paragraph (c), are met; and

(ii) any data collected on a subject under this chapter after a period of two years following the individual's death as provided in section 245C.051, paragraph (d).

(d) For background study subjects who are younger than age 18, the privacy notice provided through NETStudy 2.0 shall include a consent form that includes the information in paragraphs (b) and (c) and requires the signature of a person who has legal responsibility for the minor, including but not limited to a parent or legal guardian, to consent to the minor subject's fingerprints and photograph being captured.

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

Sec. 8. Minnesota Statutes 2014, 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.

(d) For background studies initiated on or after the implementation of NETStudy 2.0, every subject of a background study must provide the commissioner with a set of the background study subject's classifiable fingerprints and photograph within 14 days of the initiation of the background study in NETStudy 2.0. 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) For background studies completed by county agencies under this chapter for family child care services, any subject of a background study who has resided in another state within the five years preceding initiation of the background study must provide the county agency with a set of the subject's classifiable fingerprints for purposes of obtaining criminal history data from the National Criminal Records Repository.

(f) For background studies initiated on or after the implementation of NETStudy 2.0:

(1) the subject must be under continuous, direct supervision of the program that initiated the background study when providing direct contact services, until a notice under section 245C.17 is received;

(2) the entity that initiated the background study must be notified if seven days have elapsed and the background study subject has not provided fingerprints and a photograph under paragraph (d); and

(3) if a background study subject fails to provide fingerprints and a photograph under paragraph (d), the commissioner shall issue the entity that initiated the background study and the background study subject a notice that the background study has not been completed and that the subject must be removed from any position allowing direct contact or access to persons served by the entity.

The commissioner may extend the time period for providing fingerprints and a photograph if the background study subject or the entity that initiated the background study shows good cause for failure to comply in a timely manner, as determined by the commissioner.

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

Sec. 9. Minnesota Statutes 2014, section 245C.08, subdivision 2, is amended to read:

Subd. 2. **Background studies conducted by a county agency.** (a) For a background study conducted by a county agency for family child care services, the commissioner shall review:

(1) information from the county agency's record of substantiated maltreatment of adults and the maltreatment of minors;

(2) information from juvenile courts as required in subdivision 4 for:

(i) individuals listed in section 245C.03, subdivision 1, paragraph (a), who are ages 13 through 23 living in the household where the licensed services will be provided; and

(ii) any other individual listed under section 245C.03, subdivision 1, when there is reasonable cause; ~~and~~

(3) information from the Bureau of Criminal Apprehension; and

(4) criminal history data from the National Criminal Records Repository when the individual has resided in another state within the five years preceding initiation of the background study.

(b) If the individual has not resided in the county for ~~less than~~ the five years preceding initiation of the background study, the study shall include the records specified under paragraph (a) for the individual's previous county or counties of residence for the past five years.

(c) Notwithstanding expungement by a court, the county agency may consider information obtained under paragraph (a), clause (3), unless the commissioner received notice of the petition for expungement and the court order for expungement is directed specifically to the commissioner.

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

Sec. 10. Minnesota Statutes 2014, section 256.01, subdivision 18d, is amended to read:

Subd. 18d. **Data sharing with Department of Human Services; multiple identification cards.** (a) The commissioner of public safety shall, on a monthly basis, provide the commissioner of human services with the first, middle, and last name, the address, date of birth, Social Security number, driver's license or state identification card number, and all photographs or electronically produced images of all applicants and holders whose drivers' licenses and state identification cards have been canceled on or after January 1, 2013, under section 171.14, paragraph (a), clause (2) or (3), by the commissioner of public safety. After the initial data report has been provided by the commissioner of public safety to the commissioner of human services under this paragraph, subsequent reports shall only include cancellations that occurred after the end date of the cancellations represented in the previous data report.

(b) The commissioner of human services shall compare the information provided under paragraph (a) with the commissioner's data regarding recipients of all public assistance programs managed by the Department of Human Services to determine whether any individual with multiple identification cards issued by the Department of Public Safety has illegally or improperly enrolled in any public assistance program managed by the Department of Human Services.

(c) If the commissioner of human services determines that an applicant or recipient has illegally or improperly enrolled in any public assistance program, the commissioner shall provide all due process protections to the individual before terminating the individual from the program according to applicable statute and notifying the county attorney.

Sec. 11. Minnesota Statutes 2014, section 256.01, subdivision 18e, is amended to read:

Subd. 18e. **Data sharing with the Department of Human Services; legal presence date.** (a) The commissioner of public safety shall, on a monthly basis, provide the commissioner of human services with the first, middle, and last name, and address, date of birth, Social Security number, and driver's license or state identification card number of all applicants and holders of drivers' licenses and state identification cards whose temporary legal presence date has expired and as a result the driver's license or identification card has been accordingly canceled under section 171.14 by the commissioner of public safety.

(b) The commissioner of human services shall use the information provided under paragraph (a) to determine whether the eligibility of any recipients of public assistance programs managed by the Department of Human Services has changed as a result of the status change in the Department of Public Safety data.

(c) If the commissioner of human services determines that a recipient has illegally or improperly received benefits from any public assistance program, the commissioner shall provide all due process protections to the individual before terminating the individual from the program according to applicable statute and notifying the county attorney.

Sec. 12. Minnesota Statutes 2014, section 256B.04, is amended by adding a subdivision to read:

Subd. 25. **Interagency agreement for data sharing from commissioner of revenue.** The commissioner may enter into an interagency agreement with the commissioner of revenue to allow the Department of Revenue to transmit electronically to the Department of Human Services certain data on persons who applied for medical assistance or who are current or former medical assistance recipients. If an interagency agreement is concluded, the Department of Revenue is authorized to share the following data with the Department of Human Services: data from the personal or corporate filings of the medical assistance applicant, recipient, or former recipient; and data on the medical assistance applicant's, recipient's, or former recipient's wages, earned and unearned income, assets, and business expenses filed with the Department of Revenue.

Sec. 13. Minnesota Statutes 2014, section 626.557, subdivision 12b, is amended to read:

Subd. 12b. **Data management.** (a) In performing any of the duties of this section as a lead investigative agency, the county social service agency shall maintain appropriate records. Data collected by the county social service agency under this section are welfare data under section 13.46. Notwithstanding section 13.46, subdivision 1, paragraph (a), data under this paragraph that are inactive investigative data on an individual who is a vendor of services are private data on individuals, as defined in section 13.02. The identity of the reporter may only be disclosed as provided in paragraph (c).

Data maintained by the common entry point are confidential data on individuals or protected nonpublic data as defined in section 13.02. Notwithstanding section 138.163, the common entry point shall maintain data for three calendar years after date of receipt and then destroy the data unless otherwise directed by federal requirements.

(b) The commissioners of health and human services shall prepare an investigation memorandum for each report alleging maltreatment investigated under this section. County social service agencies must maintain private data on individuals but are not required to prepare an investigation memorandum. During an investigation by the commissioner of health or the commissioner of human services, data collected under this section are confidential data on individuals or protected nonpublic data as defined in section 13.02. Upon completion of the investigation, the data are classified as provided in clauses (1) to (3) and paragraph (c).

(1) The investigation memorandum must contain the following data, which are public:

(i) the name of the facility investigated;

(ii) a statement of the nature of the alleged maltreatment;

(iii) pertinent information obtained from medical or other records reviewed;

(iv) the identity of the investigator;

(v) a summary of the investigation's findings;

(vi) statement of whether the report was found to be substantiated, inconclusive, false, or that no determination will be made;

(vii) a statement of any action taken by the facility;

(viii) a statement of any action taken by the lead investigative agency; and

(ix) when a lead investigative agency's determination has substantiated maltreatment, a statement of whether an individual, individuals, or a facility were responsible for the substantiated maltreatment, if known.

The investigation memorandum must be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the names or, to the extent possible, data on individuals or private data listed in clause (2).

(2) Data on individuals collected and maintained in the investigation memorandum are private data, including:

(i) the name of the vulnerable adult;

(ii) the identity of the individual alleged to be the perpetrator;

(iii) the identity of the individual substantiated as the perpetrator; and

(iv) the identity of all individuals interviewed as part of the investigation.

(3) Other data on individuals maintained as part of an investigation under this section are private data on individuals upon completion of the investigation.

(c) After the assessment or investigation is completed, the name of the reporter must be confidential. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by a court that the report was false and there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure, except that where the identity of the reporter is relevant to a criminal prosecution, the district court shall do an in-camera review prior to determining whether to order disclosure of the identity of the reporter.

(d) Notwithstanding section 138.163, data maintained under this section by the commissioners of health and human services must be maintained under the following schedule and then destroyed unless otherwise directed by federal requirements:

(1) data from reports determined to be false, maintained for three years after the finding was made;

- (2) data from reports determined to be inconclusive, maintained for four years after the finding was made;
- (3) data from reports determined to be substantiated, maintained for seven years after the finding was made; and
- (4) data from reports which were not investigated by a lead investigative agency and for which there is no final disposition, maintained for three years from the date of the report.

(e) The commissioners of health and human services shall annually publish on their Web sites the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigation under this section, and the resolution of those investigations. On a biennial basis, the commissioners of health and human services shall jointly report the following information to the legislature and the governor:

- (1) the number and type of reports of alleged maltreatment involving licensed facilities reported under this section, the number of those requiring investigations under this section, the resolution of those investigations, and which of the two lead agencies was responsible;
  - (2) trends about types of substantiated maltreatment found in the reporting period;
  - (3) if there are upward trends for types of maltreatment substantiated, recommendations for addressing and responding to them;
  - (4) efforts undertaken or recommended to improve the protection of vulnerable adults;
  - (5) whether and where backlogs of cases result in a failure to conform with statutory time frames and recommendations for reducing backlogs if applicable;
  - (6) recommended changes to statutes affecting the protection of vulnerable adults; and
  - (7) any other information that is relevant to the report trends and findings.
- (f) Each lead investigative agency must have a record retention policy.

(g) The common entry point, lead investigative agencies, county agencies or their designees, prosecuting authorities, ~~and~~ law enforcement agencies, state agencies, and tribes may exchange not public data, as defined in section 13.02, if the agency or authority ~~requesting~~ providing the data determines that the data are pertinent and necessary to the ~~requesting~~ agency or authority for the provision of protective services or in initiating, furthering, or completing an investigation under this section. Data collected under this section must be made available to prosecuting authorities and law enforcement officials, local county agencies, and licensing agencies investigating the alleged maltreatment under this section. The lead investigative agency shall exchange not public data with the vulnerable adult maltreatment review panel established in section 256.021 if the data are pertinent and necessary for a review requested under that section. Notwithstanding section 138.17, upon completion of the review, not public data received by the review panel must be destroyed.

- (h) Each lead investigative agency shall keep records of the length of time it takes to complete its investigations.
- (i) A lead investigative agency may notify other affected parties and their authorized representative if the lead investigative agency has reason to believe maltreatment has occurred and determines the information will safeguard the well-being of the affected parties or dispel widespread rumor or unrest in the affected facility.

(j) Under any notification provision of this section, where federal law specifically prohibits the disclosure of patient identifying information, a lead investigative agency may not provide any notice unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements."

Amend the title as follows:

Page 1, line 2, after "data" insert "and background study"

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 1549, A bill for an act relating to labor and industry; making housekeeping changes to the Construction Codes and Licensing Division; removing obsolete, redundant, and unnecessary laws and rules; making conforming changes; authorizing rulemaking; amending Minnesota Statutes 2014, sections 326B.092, subdivisions 3, 7; 326B.094, subdivisions 2, 3; 326B.098, by adding a subdivision; 326B.106, subdivisions 4, 7; 326B.109, subdivision 2; 326B.135, subdivision 4; 326B.139; 326B.164, subdivision 8; 326B.184, subdivision 2; 326B.194; 326B.33, subdivisions 6, 15; 326B.37, subdivision 11; 326B.46, subdivisions 1b, 2; 326B.49, subdivision 3; 326B.56, subdivision 1; 326B.701, subdivision 3; 326B.811, subdivision 1; 326B.84; 326B.86, subdivision 1; 326B.921, subdivision 5; 326B.978, by adding a subdivision; 326B.99, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 326B; repealing Minnesota Statutes 2014, sections 16C.0745; 326B.091, subdivision 6; 326B.106, subdivision 10; 326B.169; 326B.181; 471.465; 471.466; 471.467; 471.468.

Reported the same back with the following amendments:

Page 1, after line 18, insert:

"Section 1. Minnesota Statutes 2014, section 326B.082, subdivision 11, is amended to read:

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

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

(1) committed one or more violations of the applicable law;

(2) submitted false or misleading information to the state in connection with activities for which the permit, license, registration, or certificate was issued, or in connection with the application for the permit, license, registration, or certificate;

- (3) allowed the alteration or use of the person's own permit, license, registration, or certificate by another person;
- (4) within the previous five years, was convicted of a crime in connection with activities for which the permit, license, registration, or certificate was issued;
- (5) violated: (i) a final administrative order issued under subdivision 7, (ii) a final stop order issued under subdivision 10, (iii) injunctive relief issued under subdivision 9, or (iv) a consent order or final order of the commissioner;
- (6) failed to cooperate with a commissioner's request to give testimony, to produce documents, things, apparatus, devices, equipment, or materials, or to access property under subdivision 2;
- (7) retaliated in any manner against any employee or person who is questioned by, cooperates with, or provides information to the commissioner or an employee or agent authorized by the commissioner who seeks access to property or things under subdivision 2;
- (8) engaged in any fraudulent, deceptive, or dishonest act or practice; or
- (9) performed work in connection with the permit, license, registration, or certificate or conducted the person's affairs in a manner that demonstrates incompetence, untrustworthiness, or financial irresponsibility.
- (c) If the commissioner revokes or denies a person's permit, license, registration, or certificate under paragraph (b), the person is prohibited from reapplying for the same type of permit, license, registration, or certificate for at least two years after the effective date of the revocation or denial. The commissioner may, as a condition of reapplication, require the person to obtain a bond or comply with additional reasonable conditions the commissioner considers necessary to protect the public.
- (d) If a permit, license, registration, or certificate expires, or is surrendered, withdrawn, or terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the permit, license, registration, or certificate was last effective and enter a revocation or suspension order as of the last date on which the permit, license, registration, or certificate was in effect."

Page 13, delete section 18

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete "authorizing rulemaking;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

The report was adopted.

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

H. F. No. 1555, A bill for an act relating to labor and industry; making housekeeping changes related to the Department of Labor and Industry, Office of Combative Sports, and apprenticeship programs; removing obsolete, redundant, and unnecessary laws and rules; making conforming changes; amending Minnesota Statutes 2014, sections 177.27, subdivision 4; 178.03, subdivision 3; 178.07; 181.171, subdivision 1; 182.6553, subdivisions 1, 2;

184.21, subdivision 4; 184.24, subdivision 1; 184.41; 341.21, subdivisions 2a, 4, 4f, 7, by adding a subdivision; 341.28, subdivision 3; 341.29; 341.30, subdivisions 1, 2, 4; 341.32, subdivisions 1, 2; 341.321; 341.33; repealing Minnesota Statutes 2014, sections 181.12; 181.9435, subdivision 2; 184.22, subdivision 1; 184.25; 184.26; 184.27; 184.28; 184.29; 184.30, subdivision 1; 184.32; 184.33; 184.34; 184.35; 184.36; 184.38, subdivisions 2, 16, 17; 184.40; 609B.137; Minnesota Rules, parts 5200.0510; 5200.0520; 5200.0530; 5200.0540; 5200.0550; 5200.0560; 5200.0570; 5200.0750; 5200.0760.

Reported the same back with the following amendments:

Page 2, line 22, delete the comma and insert "and"

Page 2, line 25, strike the first comma and insert a semicolon and strike the second comma and insert a semicolon

With the recommendation that when so amended the bill be re-referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

#### MINORITY REPORT

March 18, 2015

I, the undersigned, being a minority of the Committee on Commerce and Regulatory Reform, recommend that H. F. No. 1555 be amended as follows and placed on the General Register:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1 WORKING PARENTS ACT

Section 1. **CITATION; WORKING PARENTS ACT.**

This act shall be known as the "Working Parents Act."

#### ARTICLE 2 WAGE THEFT PROTECTION

Section 1. Minnesota Statutes 2014, section 13.7905, is amended by adding a subdivision to read:

**Subd. 7. Complaints to the Department of Labor and Industry.** Certain data regarding employee complaints to the commissioner of labor and industry are classified under section 177.27, subdivision 11.

Sec. 2. Minnesota Statutes 2014, section 177.24, is amended by adding a subdivision to read:

**Subd. 3a. Gratuities; credit cards or charges.** (a) Gratuities presented to an employee via inclusion on a debit, charge, or credit card shall be credited to that pay period in which they are received by the employee and for which they appear on the employee's tip statement.

(b) Where a gratuity is given by a customer through a debit, charge, or credit card, the full amount of gratuity must be allowed the employee.

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

Sec. 3. Minnesota Statutes 2014, section 177.253, subdivision 1, is amended to read:

Subdivision 1. **Rest breaks.** An employer must allow each employee ~~adequate time from work within each four consecutive hours of work to utilize the nearest convenient restroom~~ a rest break of at least ten minutes per four consecutive hours of work. Time spent by employees on rest breaks must be counted as hours worked.

Sec. 4. Minnesota Statutes 2014, section 177.254, subdivision 1, is amended to read:

Subdivision 1. **Meal break.** An employer must permit each employee who is working for eight or more consecutive hours ~~sufficient time to eat a meal.~~ An employer must permit each employee who works for five or more consecutive hours a meal break of at least 30 minutes, except that if the work period for the day is six consecutive hours or less, the employee and employer may waive the meal break by mutual consent.

Sec. 5. Minnesota Statutes 2014, section 177.27, subdivision 7, is amended to read:

Subd. 7. **Employer liability.** (a) If an employer is found by the commissioner to have violated a section identified in subdivision 4, or any rule adopted under section 177.28, and the commissioner issues an order to comply, the commissioner shall order the employer to cease and desist from engaging in the violative practice and to take such affirmative steps that in the judgment of the commissioner will effectuate the purposes of the section or rule violated. The commissioner shall order the employer to pay to the aggrieved parties back pay, gratuities, ~~and~~ compensatory damages, ~~and predictability pay under section 181.99,~~ less any amount actually paid to the employee by the employer, and for an additional ~~equal amount as liquidated damages.~~ equal to twice the unpaid wages, overtime pay, gratuities, and predictability pay under section 181.99. In addition, the commissioner may order the employer to pay civil penalties of up to \$1,000 per violation. The commissioner must consider the factors described in section 14.045, subdivision 3, paragraph (a), when assessing these civil penalties.

(b) Any employer who is found by the commissioner to have repeatedly or willfully violated a section or sections identified in subdivision 4 shall be subject to a civil penalty of ~~up to \$1,000~~ at least \$5,000, but no more than \$10,000 for each violation for each employee. The commissioner must consider the factors described in section 14.045, including those contained in section 14.045, subdivision 3, paragraph (b), when assessing these civil penalties.

(c) In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered. In addition, the commissioner may order the employer to reimburse the department and the attorney general for all appropriate litigation and hearing costs expended in preparation for and in conducting the contested case proceeding, unless payment of costs would impose extreme financial hardship on the employer. If the employer is able to establish extreme financial hardship, then the commissioner may order the employer to pay a percentage of the total costs that will not cause extreme financial hardship. Costs include but are not limited to the costs of services rendered by the attorney general, private attorneys if engaged by the department, administrative law judges, court reporters, and expert witnesses as well as the cost of transcripts. Interest shall accrue on, and be added to, the unpaid balance of a commissioner's order from the date the order is signed by the commissioner until it is paid, at an annual rate provided in section 549.09, subdivision 1, paragraph (c). The commissioner may establish escrow accounts for purposes of distributing damages.

(d) In addition to paragraph (c), when the commissioner finds that an employer has repeatedly or willfully violated a section or sections identified in subdivision 4, the commissioner shall take the following actions:

(1) the commissioner shall identify any state, county, or municipal agency, or municipality as defined in section 466.01, subdivision 1, that has issued licenses or permits necessary for the employer to conduct its business;

(2) the commissioner shall order any identified state, county, or municipal agency, or municipality as defined in section 466.01, subdivision 1, to immediately revoke or suspend any such licenses or permits until the commissioner determines that the employer has remedied all violations.

(e) The commissioner has the power to take the actions described in paragraph (d), notwithstanding any conflicting statute, rule, ordinance, or other regulation. A state, county, or municipal agency, or municipality as defined in section 466.01, subdivision 1, has the power to comply with an order of the commissioner under paragraph (d), notwithstanding any conflicting statute, rule, ordinance, or other regulation.

Sec. 6. Minnesota Statutes 2014, section 177.27, subdivision 8, is amended to read:

Subd. 8. **Court actions; suits brought by private parties.** An employee may bring a civil action seeking redress for a violation or violations of sections 177.21 to 177.44 directly to district court. An employer who pays an employee less than the wages and overtime compensation to which the employee is entitled under sections 177.21 to 177.44 is liable to the employee for the full amount of the wages, gratuities, and overtime compensation, less any amount the employer is able to establish was actually paid to the employee and for an additional ~~equal~~ amount as ~~liquidated damages~~ equal to twice the unpaid wages, overtime pay, and gratuities. In addition, in an action under this subdivision the employee may seek damages and other appropriate relief provided by subdivision 7 and otherwise provided by law. An agreement between the employee and the employer to work for less than the applicable wage is not a defense to the action.

Sec. 7. Minnesota Statutes 2014, section 177.27, subdivision 9, is amended to read:

Subd. 9. **District court jurisdiction.** Any action brought under subdivision 8 may be filed in the district court of the county wherein a violation or violations ~~of sections 177.21 to 177.44~~ are alleged to have been committed, where the respondent resides or has a principal place of business, or any other court of competent jurisdiction. The action may be brought by one or more employees. An employee may choose to have a person or organization bring an action on the employee's behalf. In such a case, the person or organization has the power to settle or adjust the claim.

Sec. 8. Minnesota Statutes 2014, section 177.27, is amended by adding a subdivision to read:

Subd. 11. **Employee complaints.** (a) Any person or organization may file an administrative complaint or an informal complaint with the department claiming an employer has violated sections 177.21 to 177.44 as to any employee or person.

(b) The commissioner shall allow for anonymous informal and administrative complaints. The commissioner shall take steps to keep the identity of a complaining employee or other individual confidential if that employee or individual so chooses.

(c) If the commissioner investigates a complaint against an employer and the commissioner chooses to review employer records related to the complaint, the commissioner shall review the relevant records of all employees at that work site in order to:

(1) maintain the employee's anonymity; and

(2) determine whether a pattern of violations has occurred.

(d) Any information regarding a complaint under this subdivision is excluded from any requirements for disclosure under the Minnesota Government Data Practices Act.

Sec. 9. Minnesota Statutes 2014, section 177.27, is amended by adding a subdivision to read:

Subd. 12. **Wage bonds.** (a) If, upon investigation by the commissioner of any complaint under sections 177.21 to 177.44, the commissioner finds that an employer is not paying wages due its employees, the commissioner may require the employer to give the department a bond, with sufficient surety, in an amount that the commissioner deems reasonable and adequate under the circumstances. Forfeiture of the bond may be conditioned on the employer continuing to conduct its business and paying its employees in accordance with all laws for a definite period not to exceed six months.

(b) If, within ten days after the commissioner demands such a bond, the employer fails to provide it, the commissioner may bring an action against the employer, in any court of competent jurisdiction, to compel the employer to provide the bond or to cease conducting business until the employer has done so. The employer shall have the burden of proving the amount of the bond to be excessive.

Sec. 10. **[177.311] GRANTS TO COMMUNITY ORGANIZATIONS.**

The commissioner must make grants to community organizations for the purpose of outreach to and education for employees affected by sections 177.21 to 177.44 regarding employee rights under those sections. The community-based organizations must be selected based on their experience, capacity, and relationships in high-violation industries. The work under any such grant may include the creation and administration of a statewide worker hotline.

Sec. 11. **[177.315] EMPLOYER RETALIATION.**

No employer shall discharge or take any other adverse action against any person in retaliation for asserting any claim or right under sections 177.21 to 177.44, for assisting any other person in doing so, or for informing any person about the person's rights under sections 177.21 to 177.44. An employer taking any adverse action against a person within one year of a person's engaging in the foregoing activities shall raise a presumption that such action was retaliation, which may be rebutted by clear and convincing evidence that the action was taken for other permissible reasons.

Sec. 12. Minnesota Statutes 2014, section 177.32, is amended to read:

**177.32 PENALTIES.**

Subdivision 1. ~~Misdemeanors~~ **Crimes.** (a) An employer who does any of the following is guilty of a misdemeanor:

- (1) hinders or delays the commissioner in the performance of duties required under sections 177.21 to 177.435;
- (2) refuses to admit the commissioner to the place of business or employment of the employer, as required by section 177.27, subdivision 1;
- (3) repeatedly fails to make, keep, and preserve records as required by section 177.30;
- (4) falsifies any record;

(5) refuses to make any record available, or to furnish a sworn statement of the record or any other information as required by section 177.27;

(6) repeatedly fails to post a summary of sections 177.21 to 177.44 or a copy or summary of the applicable rules as required by section 177.31;

(7) pays or agrees to pay wages at a rate less than the rate required under sections 177.21 to 177.44, and the total of any such wages in relation to all affected employees is less than \$5,000;

(8) refuses to allow adequate time from work as required by section 177.253; or

(9) otherwise violates any provision of sections 177.21 to 177.44.

(b) An employer is guilty of a gross misdemeanor if the employer fails to pay any wages due to an employee or employees under sections 177.21 to 177.44, and the total of any such wages in relation to all affected employees is \$5,000 or more.

(c) An employer who is convicted of a crime under paragraph (a) or (b) and is subsequently convicted of a second crime under paragraph (a) or (b) within two years of the first conviction is guilty of a felony.

Subd. 2. **Fine Fines.** An employer shall be fined not less than ~~\$700~~ \$5,000 nor more than ~~\$3,000~~ \$10,000 if convicted of discharging or otherwise discriminating against any employee because:

(1) the employee has complained to the employer or to the department that wages have not been paid in accordance with sections 177.21 to 177.435;

(2) the employee has instituted or will institute a proceeding under or related to sections 177.21 to 177.435; or

(3) the employee has testified or will testify in any proceeding.

Sec. 13. **[177.321] PENALTIES; SPECIAL ACCOUNT.**

All civil penalties collected under sections 177.21 to 177.44, must be deposited in the state treasury and credited to a special account. Money in the account is annually appropriated to the commissioner of labor and industry to administer sections 177.311 and 181.9436.

Sec. 14. **[181.724] CONTRACTS FOR LABOR OR SERVICES.**

Subdivision 1. **Contract; insufficient funds.** A person or entity shall not enter into a contract or agreement for labor or services where the person or entity knows or should know that the contract or agreement does not include funds sufficient to allow the contractor to comply with all applicable local, state, and federal laws or regulations governing the labor or services to be provided.

Subd. 2. **Rebuttable presumption.** There is a rebuttable presumption affecting the burden of proof that there has been no violation of subdivision 1 where the contract or agreement with a contractor meets all of the requirements in subdivision 4.

Subd. 3. **Exclusions.** Subdivision 1 does not apply to a person or entity who executes a collective bargaining agreement covering the workers employed under the contract or agreement, or to a person who enters into a contract or agreement for labor or services to be performed on the person's home residence, provided that a family member resides in the residence or residences for which the labor or services are to be performed for at least part of the year.

Subd. 4. **Written contract; provisions.** To meet the requirements of subdivision 2, a contract or agreement with a contractor for labor or services shall be in writing, in a single document, and contain all of the following provisions, in addition to any other provisions that may be required by the commissioner:

(1) the name, address, and telephone number of the person or entity and the contractor through whom the labor or services are to be provided;

(2) a description of the labor or services to be provided and a statement of when those services are to be commenced and completed;

(3) the employer identification number for state tax purposes of the contractor;

(4) the workers' compensation insurance policy number and the name, address, and telephone number of the contractor;

(5) the vehicle identification number of any vehicle that is owned by the contractor and used for transportation in connection with any service provided pursuant to the contract or agreement, the number of the vehicle liability insurance policy that covers the vehicle, and the name, address, and telephone number of the insurance carrier;

(6) the address of any real property to be used to house workers in connection with the contract or agreement;

(7) the total number of workers to be employed under the contract or agreement, the total amount of all wages to be paid, and the date or dates when those wages are to be paid;

(8) the amount of the commission or other payment made to the contractor for services under the contract or agreement;

(9) the total number of persons who will be utilized under the contract or agreement as independent contractors, along with a list of the current local, state, and federal contractor license identification numbers that the independent contractors are required to have under local, state, or federal laws or regulations; and

(10) the signatures of all parties, and the date the contract or agreement was signed.

Subd. 5. **Material changes.** (a) To qualify for the rebuttable presumption in subdivision 2, a material change to the terms and conditions of a contract or agreement between a person or entity and a contractor must be in writing, in a single document, and contain all of the provisions listed in subdivision 4 that are affected by the change.

(b) If a provision required to be contained in a contract or agreement under subdivision 4, clause (7) or (9), is unknown at the time the contract or agreement is executed, the best estimate available at that time is sufficient to satisfy the requirements of subdivision 4. If an estimate is used in place of actual figures, the parties to the contract or agreement have a continuing duty to ascertain the information required under subdivision 4, clause (7) or (9), and to reduce that information to writing according to the requirements of paragraph (a) once that information becomes known.

Subd. 6. **Written contract; commissioner review.** A person or entity who enters into a contract or agreement referred to in subdivision 4 or 5 shall keep a copy of the written contract or agreement for a period of not less than four years following the termination of the contract or agreement. Upon the request of the commissioner of labor and industry, any person or entity who enters into the contract or agreement shall provide to the commissioner a copy of the provisions of the contract or agreement, and any other documentation, related to subdivision 4, clauses (1) to (10). Documents obtained under this section are exempt from disclosure under the Minnesota Government Data Practices Act, chapter 13.

Subd. 7. **Penalties.** (a) An employee aggrieved by a violation of subdivision 1 may file an action for damages to recover the greater of all actual damages or \$250 per employee per violation for an initial violation and \$1,000 per employee for each subsequent violation, and, upon prevailing in an action brought under this section, may recover costs and reasonable attorney fees. An action under this section shall not be maintained unless it is pleaded and proved that an employee was injured as a result of a violation of a labor law or regulation in connection with the performance of the contract or agreement.

(b) An employee aggrieved by a violation of subdivision 1 may also bring an action for injunctive relief and, upon prevailing, may recover costs and reasonable attorney fees.

Subd. 8. **Know or should know; definition.** (a) The term "know" as used in this section includes the knowledge, arising from familiarity with the normal facts and circumstances of the business activity engaged in, that the contract or agreement does not include funds sufficient to allow the contractor to comply with applicable laws.

(b) The phrase "should know" as used in this section includes the knowledge of any additional facts or information that would make a reasonably prudent person undertake to inquire whether, taken together, the contract or agreement contains sufficient funds to allow the contractor to comply with applicable laws.

(c) A failure by a person or entity to request or obtain any information from the contractor that is required by any applicable statute, or by the contract or agreement between them, constitutes knowledge of that information for purposes of this section.

Sec. 15. **[181.915] EMPLOYER STATEMENT TO EMPLOYEES.**

An employer must provide each newly hired employee, before the employee begins the employee's duties, and each current employee annually, a written statement, in English and in the principal language of the employee, describing the terms and conditions of the employee's employment. The statement must include, but is not limited to, the following:

(1) the full name, mailing address, and phone number of the employer;

(2) the federal and state tax identification numbers of each employer, but not including Social Security numbers of employers who are individuals;

(3) the place or places of employment;

(4) the hours of work per day and number of days per week that the employee will be required to work;

(5) the wages the employer will pay the employee per hour, day, week, or other measure and the frequency and nature of payment of those wages;

(6) the anticipated period of employment;

(7) the circumstances and rate for which an employee will be paid a premium for working in excess of a set number of hours per day, week, or month; or for working on designated nights, weekends, or holidays;

(8) a description of any provision to the employee by the employer, how long such provision will be provided by the employer, and any costs for such provision the employer will require the employee to pay, including, but not limited to:

(i) transportation to and from work;

(ii) housing;

(iii) health insurance or health care;

(iv) any paid or unpaid leave or holidays;

(v) pension or retirement benefits;

(vi) personal protective equipment required for the work;

(vii) workers' compensation policies, including information about the employer insurance policy or policies, and rules regarding the reporting of accidents or injuries; and

(viii) unemployment compensation;

(9) the nature of the work to be performed by the employee;

(10) information regarding any existing strike, lockout, or concerted work stoppage, slowdown, or interruption of operations at the place of employment; and

(11) information regarding any known local, state, or federal investigations into the employer's health or safety practices over the prior five years, and the outcome of such investigations, if known.

Sec. 16. Minnesota Statutes 2014, section 541.05, subdivision 1, is amended to read:

Subdivision 1. **Six-year limitation.** Except where the Uniform Commercial Code otherwise prescribes, the following actions shall be commenced within six years:

(1) upon a contract or other obligation, express or implied, as to which no other limitation is expressly prescribed;

(2) upon a liability created by statute, other than those arising upon a penalty or forfeiture or where a shorter period is provided by section 541.07;

(3) for a trespass upon real estate;

(4) for taking, detaining, or injuring personal property, including actions for the specific recovery thereof;

(5) for criminal conversation, or for any other injury to the person or rights of another, not arising on contract, and not hereinafter enumerated;

(6) for relief on the ground of fraud, in which case the cause of action shall not be deemed to have accrued until the discovery by the aggrieved party of the facts constituting the fraud;

(7) to enforce a trust or compel a trustee to account, where the trustee has neglected to discharge the trust, or claims to have fully performed it, or has repudiated the trust relation;

(8) against sureties upon the official bond of any public officer, whether of the state or of any county, town, school district, or a municipality therein; in which case the limitation shall not begin to run until the term of such officer for which the bond was given shall have expired;

(9) for damages caused by a dam, used for commercial purposes; ~~or~~

(10) for assault, battery, false imprisonment, or other tort resulting in personal injury, if the conduct that gives rise to the cause of action also constitutes domestic abuse as defined in section 518B.01;

(11) for the recovery of wages, overtime or damages, fees, or penalties accruing under any federal or state law respecting the payment of wages, overtime or damages, fees, or penalties. The term "wages" means all remuneration for services or employment, including commissions, gratuities, and bonuses and the cash value of all remuneration in any medium other than cash, where the relationship of master and servant exists and the term "damages" means single, double, or treble damages, accorded by any statutory cause of action whatsoever and whether or not the relationship of master and servant exists.

Sec. 17. Minnesota Statutes 2014, section 541.07, is amended to read:

**541.07 TWO- OR THREE-YEAR LIMITATIONS.**

Except where the Uniform Commercial Code, this section, section 541.05, 541.073, 541.076, or 604.205 otherwise prescribes, the following actions shall be commenced within two years:

(1) for libel, slander, assault, battery, false imprisonment, or other tort resulting in personal injury, and all actions against veterinarians as defined in chapter 156, for malpractice, error, mistake, or failure to cure, whether based on contract or tort; provided a counterclaim may be pleaded as a defense to any action for services brought by a veterinarian after the limitations period if it was the property of the party pleading it at the time it became barred and was not barred at the time the claim sued on originated, but no judgment thereof except for costs can be rendered in favor of the party so pleading it;

(2) upon a statute for a penalty or forfeiture, except as provided in sections 541.074 and 541.075;

(3) for damages caused by a dam, other than a dam used for commercial purposes; but as against one holding under the preemption or homestead laws, the limitations shall not begin to run until a patent has been issued for the land so damaged;

(4) against a master for breach of an indenture of apprenticeship; the limitation runs from the expiration of the term of service;

~~(5) for the recovery of wages or overtime or damages, fees, or penalties accruing under any federal or state law respecting the payment of wages or overtime or damages, fees, or penalties except, that if the employer fails to submit payroll records by a specified date upon request of the Department of Labor and Industry or if the nonpayment is willful and not the result of mistake or inadvertence, the limitation is three years. (The term "wages" means all remuneration for services or employment, including commissions and bonuses and the cash value of all remuneration in any medium other than cash, where the relationship of master and servant exists and the term "damages" means single, double, or treble damages, accorded by any statutory cause of action whatsoever and whether or not the relationship of master and servant exists);~~

~~(5)~~ (5) for damages caused by the establishment of a street or highway grade or a change in the originally established grade; and

~~(6)~~ (6) against the person who applies the pesticide for injury or damage to property resulting from the application, but not the manufacture or sale, of a pesticide.

Sec. 18. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall make any necessary cross-reference changes arising from renumbering in this act, including any grammatical changes to preserve sentence structure.

Sec. 19. **REPEALER.**

Minnesota Rules, part 5200.0080, subpart 7, is repealed.

ARTICLE 3  
PAID FAMILY LEAVE

Section 1. Minnesota Statutes 2014, section 181.941, is amended to read:

**181.941 PREGNANCY AND, PARENTING, AND CAREGIVER LEAVE.**

Subdivision 1. **Twelve-week leave; pregnancy, birth, or adoption parenting, and caregiver leave.** (a) An employer must grant an unpaid leave of absence to an employee who is:

(1) a biological ~~or~~, adoptive, or foster parent in conjunction with the birth ~~or~~, adoption, or placement through foster care of a child; ~~or~~

(2) a female employee for prenatal care, or incapacity due to pregnancy, childbirth, or related health conditions; or

(3) caring for a family member who has a serious health condition.

(b) The length of the leave shall be determined by the employee, but must not exceed 12 weeks, unless agreed to by the employer.

Subd. 2. **Start of leave.** The leave shall begin at a time requested by the employee. The employer may adopt reasonable policies governing the timing of requests for unpaid leave and may require an employee who plans to take a leave under this section to give the employer reasonable notice of the date the leave shall commence and the estimated duration of the leave. For leave taken under subdivision 1, paragraph (a), clause (1), the leave must begin within 12 months of the birth or adoption; except that, in the case where the child must remain in the hospital longer than the mother, the leave must begin within 12 months after the child leaves the hospital.

Subd. 3. **No employer retribution.** An employer shall not retaliate against an employee for requesting or obtaining a leave of absence as provided by this section.

Subd. 4. **Continued insurance.** The employer must continue to make coverage available to the employee while on leave of absence under any group insurance policy, group subscriber contract, or health care plan for the employee and any dependents. Nothing in this section requires the employer to pay the costs of the insurance or health care while the employee is on leave of absence.

Subd. 5. **Confidentiality and nondisclosure.** If, in conjunction with a leave under this section, an employer possesses health or medical information regarding an employee or an employee's family member, the employer must treat such information as confidential and not disclose the information except with the permission of the employee.

Sec. 2. **[181.9411] PREGNANCY, PARENTING, AND CAREGIVER LEAVE INSURANCE.**

Subdivision 1. Definitions. (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Health care provider" has the same meaning as set forth in the FMLA.

(c) "Serious health condition" has the same meaning as set forth in the FMLA.

(d) "Median county family income" means the median family income under the American Community Survey 5-Year Estimates for the most recent year available in the county where the employee resides.

Subd. 2. Benefits; application and eligibility. (a) Beginning one year after the date on which the commissioner starts collecting premiums pursuant to subdivision 6, benefits under this section must be paid to an employee who:

(1) is eligible for leave under section 181.941; and

(2) files an application for benefits in the manner required by the commissioner.

(b) In addition to the requirements of paragraph (a), the commissioner may require:

(1) an employee who files a claim for benefits to attest that the employee has requested leave from his or her employer under section 181.941; or

(2) submit a certification from the health care provider providing care to the employee's family member supporting the claim that the employee's family member has a serious health condition, provided the employee is filing an application for benefits related to leave under section 181.941, subdivision 1, paragraph (a), clause (3), or the FMLA.

Subd. 3. Duration of benefits; payment intervals. (a) The maximum amount of time an employee may receive benefits under this section is six weeks.

(b) Failure to submit an application for benefits in the manner and form required by the commissioner does not automatically invalidate an employee's eligibility for benefits, but the commissioner is not required to pay benefits for a period of more than two weeks before the date on which an employee files an application for benefits conforming with the commissioner's requirements.

(c) The commissioner must make the first payment of benefits to an eligible employee within two weeks after the employee files an application of benefits conforming to the commissioner's requirements. The commissioner must make later payments biweekly.

Subd. 4. Amount of benefits; maximum weekly benefit. (a) The commissioner must calculate an employee's weekly benefit amount as follows:

(1) for an employee whose yearly earnings are not more than 27 percent of the median county family income, the commissioner must pay weekly benefits in an amount equal to 95 percent of the employee's weekly wage;

(2) for an employee whose yearly earnings are more than 27 percent, but not more than 45 percent, of the median county family income, the commissioner must pay weekly benefits in an amount equal to 90 percent of the employee's weekly wage;

(3) for an employee whose yearly earnings are more than 45 percent, but not more than 65 percent, of the median county family income, the commissioner must pay weekly benefits in an amount equal to 85 percent of the employee's weekly wage;

(4) for an employee whose yearly earnings are equal to or more than 65 percent of the median county family income, the commissioner must pay weekly benefits in an amount equal to 66 percent of the eligible individual's weekly wage.

(b) Notwithstanding paragraph (a), an employee's weekly benefit must not exceed \$1,000 per week.

(c) Beginning two years after the date on which the commissioner starts collecting premiums pursuant to subdivision 6, the commissioner must annually adjust the maximum weekly benefit amount to reflect changes in the United States Bureau of Labor Statistics consumer price index for the Minneapolis-St. Paul consolidated metropolitan statistical area for all urban consumers, all goods, or its successor index.

(d) Benefits are not payable for less than one day of leave taken in one work week.

**Subd. 5. Pregnancy, parenting, and caregiver leave insurance account.** A pregnancy, parenting, and caregiver leave insurance account is created in the special revenue fund. Money in the account is annually appropriated to the Department of Labor and Industry and does not lapse. The commissioner shall manage and administer the account in accordance with this section.

**Subd. 6. Employee and employer premiums.** (a) Starting on a date determined by the commissioner but no later than one year after the effective date of this section, every employee employed by an employer must pay a premium equal to 0.1 percent of the employee's yearly wages to fund the program, but the maximum annual premium charged to an employee must not exceed \$78 per year. The premium is assessed on the first \$78,000 of wages earned in a calendar year.

(b) Starting on a date determined by the commissioner but no later than one year after the effective date of this section, every employer must pay a premium equal to the total of premiums paid by the employer's employees.

(c) Each employer must collect the premium amount from each employee as a payroll deduction from the employee's wages each payroll period and shall remit the premium amount, along with the matching employer premium, to the commissioner, who must send the premiums to the Department of Management and Budget for deposit in the pregnancy, parenting, and caregiver leave insurance account in the special revenue fund.

(d) Starting two years after the date on which the commissioner begins collecting premiums pursuant to this subdivision, the commissioner must annually adjust the maximum annual premium amount and the amount of annual income on which the premium is assessed to reflect changes in the United States Bureau of Labor Statistics consumer price index for the Minneapolis-St. Paul consolidated metropolitan statistical area for all urban consumers, all goods, or its successor index.

**Subd. 7. Disqualification from benefits; erroneous payments.** (a) An employee must not receive benefits under this section for one year if the individual willfully makes a false statement or misrepresentation regarding a material fact, or willfully fails to report a material fact, to obtain benefits under this section.

(b) If benefits under this section are paid erroneously or as a result of a willful misrepresentation or omission, or if a claim for benefits under this section is rejected after benefits are paid, the commissioner may seek repayment of benefits from the recipient.

Subd. 8. **Federal taxation of benefits.** (a) If the Internal Revenue Service determines that benefits under this section are subject to federal income tax, the commissioner must advise an individual filing a claim for benefits, at the time of filing, that:

(1) the Internal Revenue Service has determined that benefits are subject to federal income tax;

(2) requirements exist pertaining to estimated tax payments;

(3) the employee may elect to have federal income tax deducted and withheld from the individual's payment of benefits in the amount specified in the federal Internal Revenue Code; and

(4) the employee may change a previously elected withholding status.

(b) Amounts deducted and withheld from benefits under this subdivision must remain in the pregnancy, parenting, and caregiver leave insurance account in the special revenue fund until transferred to the federal taxing authority as payment of income tax.

The commissioner must follow all procedures specified by the Internal Revenue Service relating to deducting and withholding income tax.

Subd. 9. **Confidentiality and nondisclosure.** If, in conjunction with a leave under this section, an employer possesses health or medical information regarding an employee or an employee's family member, the employer must treat such information as confidential and not disclose the information except with the permission of the employee.

Sec. 3. Minnesota Statutes 2014, section 181.943, is amended to read:

**181.943 RELATIONSHIP TO OTHER LEAVE.**

(a) The length of leave provided under section 181.941 may be reduced by any period of:

(1) paid parental, disability, personal, medical, or sick leave, or accrued vacation provided by the employer so that the total leave does not exceed 12 weeks, unless agreed to by the employer; or

(2) leave taken for the same purpose by the employee under ~~United States Code, title 29, chapter 28~~ the FMLA.

(b) Nothing in sections 181.940 to 181.943 prevents any employer from providing leave benefits in addition to those provided in sections 181.940 to 181.944 or otherwise affects an employee's rights with respect to any other employment benefit.

(c) Nothing in this section shall be construed to diminish an employee's entitlement to benefits under section 181.9411.

(d) Nothing in sections 181.940 to 181.944 shall be construed to limit the right of parties to a collective bargaining agreement to bargain and agree with respect to leave policies or to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in sections 181.940 to 181.944.

Sec. 4. Minnesota Statutes 2014, section 181.9436, is amended to read:

**181.9436 POSTING OF LAW NOTICE TO AFFECTED EMPLOYEES.**

Subdivision 1. Poster. The Division of Labor Standards and Apprenticeship shall develop, with the assistance of interested business and community organizations, an educational poster stating employees' rights under sections 181.940 to ~~181.9436~~ 181.9441. The department shall make the poster available, upon request, to employers for posting on the employer's premises.

Subd. 2. Grants to community organizations. The commissioner may make grants to community organizations for the purpose of outreach to and education for employees affected by sections 181.939 and 181.9441 regarding those employees' rights under those sections. The community-based organizations must be selected based on their experience, capacity, and relationships in high-violation industries. The work under such a grant may include the creation and administration of a statewide worker hotline.

Sec. 5. Minnesota Statutes 2014, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades kindergarten to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. No deduction is permitted for any expense the taxpayer incurred in using the taxpayer's or the qualifying child's vehicle to provide such transportation for a qualifying child. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted or not deductible pursuant to section 408(d)(8)(E) of the Internal Revenue Code in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code, under the provisions of Public Law 109-1 and Public Law 111-126;

(7) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(8) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (12), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (12), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(9) job opportunity building zone income as provided under section 469.316;

(10) to the extent included in federal taxable income, the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service, including compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); or (ii) federally funded state active service as defined in section 190.05, subdivision 5b, and "active service" includes service performed in accordance with section 190.08, subdivision 3;

(11) to the extent included in federal taxable income, the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed under United States Code, title 10; or the authority of the United Nations;

(12) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(13) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (13), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(14) to the extent included in the federal taxable income of a nonresident of Minnesota, compensation paid to a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Servicemembers Civil Relief Act, Public Law 108-189, section 101(2);

(15) to the extent included in federal taxable income, the amount of national service educational awards received from the National Service Trust under United States Code, title 42, sections 12601 to 12604, for service in an approved Americorps National Service program;

(16) to the extent included in federal taxable income, discharge of indebtedness income resulting from reacquisition of business indebtedness included in federal taxable income under section 108(i) of the Internal Revenue Code. This subtraction applies only to the extent that the income was included in net income in a prior year as a result of the addition under subdivision 19a, clause (13);

(17) the amount of the net operating loss allowed under section 290.095, subdivision 11, paragraph (c);

(18) the amount of expenses not allowed for federal income tax purposes due to claiming the railroad track maintenance credit under section 45G(a) of the Internal Revenue Code;

(19) the amount of the limitation on itemized deductions under section 68(b) of the Internal Revenue Code;

(20) the amount of the phaseout of personal exemptions under section 151(d) of the Internal Revenue Code; ~~and~~

(21) to the extent included in federal taxable income, the amount of qualified transportation fringe benefits described in section 132(f)(1)(A) and (B) of the Internal Revenue Code. The subtraction is limited to the lesser of the amount of qualified transportation fringe benefits received in excess of the limitations under section 132(f)(2)(A) of the Internal Revenue Code for the year or the difference between the maximum qualified parking benefits excludable under section 132(f)(2)(B) of the Internal Revenue Code minus the amount of transit benefits excludable under section 132(f)(2)(A) of the Internal Revenue Code; and

(22) the amount received in benefits under section 181.9411.

#### ARTICLE 4 EARNED SICK AND SAFE TIME

Section 1. Minnesota Statutes 2014, section 177.27, subdivision 2, is amended to read:

Subd. 2. **Submission of records; penalty.** The commissioner may require the employer of employees working in the state to submit to the commissioner photocopies, certified copies, or, if necessary, the originals of employment records which the commissioner deems necessary or appropriate. The records which may be required include full and correct statements in writing, including sworn statements by the employer, containing information relating to wages, hours, names, addresses, and any other information pertaining to the employer's employees and the conditions of their employment as the commissioner deems necessary or appropriate.

The commissioner may require the records to be submitted by certified mail delivery or, if necessary, by personal delivery by the employer or a representative of the employer, as authorized by the employer in writing.

The commissioner may ~~fine~~ order the employer to pay a civil penalty of up to \$1,000 \$2,000 for each failure to submit or deliver records as required by this section. This penalty is in addition to any penalties provided under section 177.32, subdivision 1. In determining the amount of a civil penalty under this subdivision, the appropriateness of such penalty to the size of the employer's business and the gravity of the violation shall be considered.

Sec. 2. Minnesota Statutes 2014, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, 181.79, and 181.939 to ~~181.943~~ 181.9441, or with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 3. Minnesota Statutes 2014, section 177.28, subdivision 1, is amended to read:

Subdivision 1. **General authority.** (a) The commissioner may adopt rules, including definitions of terms, to carry out the purposes of sections 177.21 to 177.44, to prevent the circumvention or evasion of those sections, and to safeguard the minimum wage and overtime rates established by sections 177.24 and 177.25.

(b) The commissioner may adopt rules to carry out the purposes of sections 181.939 to 181.9441.

Sec. 4. **[177.36] REPORT TO LEGISLATURE.**

(a) The commissioner must submit an annual report to the legislature, including to the chair and ranking minority member of any relevant legislative committee. The report must include, but is not limited to:

(1) a list of all violations of statutory sections listed in section 177.27, subdivision 4, including the employer involved, and the nature of any violations; and

(2) an analysis of noncompliance with the statutory sections listed in section 177.27, subdivision 4, including any patterns by employer, industry, or county.

(b) A report under this section must not include an employee's name or other identifying information, any health or medical information regarding an employee or an employee's family member, or any information pertaining to domestic abuse, sexual assault, or stalking of an employee or an employee's family member.

Sec. 5. Minnesota Statutes 2014, section 181.032, is amended to read:

**181.032 REQUIRED STATEMENT OF EARNINGS BY EMPLOYER.**

(a) At the end of each pay period, the employer shall provide each employee an earnings statement, either in writing or by electronic means, covering that pay period. An employer who chooses to provide an earnings statement by electronic means must provide employee access to an employer-owned computer during an employee's regular working hours to review and print earnings statements.

(b) The earnings statement may be in any form determined by the employer but must include:

(1) the name of the employee;

(2) the hourly rate of pay (if applicable);

(3) the total number of hours worked by the employee unless exempt from chapter 177;

(4) the total amount of gross pay earned by the employee during that period;

(5) the total amount of overtime pay earned by the employee during that period;

(6) the total amount of gratuities earned by the employee during that period;

(7) the total amount of any additional compensation paid to the employee during that period, including any predictability pay under section 181.99;

(8) the total amount of expense reimbursements paid to the employee during that period;

~~(5)~~ (9) a list of deductions made from the employee's pay;

~~(6)~~ (10) the net amount of pay after all deductions are made;

~~(7)~~ (11) the date on which the pay period ends; ~~and~~

~~(8)~~ (12) the legal name of the employer and the operating name of the employer if different from the legal name;

(13) the total amount of employer-provided leave used by the employee during that pay period; and

(14) the total amount of employer-provided leave available for the employee to use.

(c) An employer must provide earnings statements to an employee in writing, rather than by electronic means, if the employer has received at least 24 hours notice from an employee that the employee would like to receive earnings statements in written form. Once an employer has received notice from an employee that the employee would like to receive earnings statements in written form, the employer must comply with that request on an ongoing basis.

Sec. 6. Minnesota Statutes 2014, section 181.940, is amended to read:

**181.940 DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 181.940 to ~~181.944~~ 181.9441, the terms defined in this section have the meanings given them.

Subd. 2. **Employee.** "Employee" means ~~a person who performs services for hire for an~~ an individual employed by an employer from whom a leave is requested under sections 181.940 to 181.944 for ~~who has performed at least 680 hours of work for that employer or who has worked for that employer for at least 17 weeks. Employee does not mean an independent contractor.~~

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

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

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

Subd. 3. **Employer.** "Employer" means a person or entity that employs ~~2+~~ one or more employees ~~at at least one site, except that, for purposes of the school leave allowed under section 181.9412, employer means a person or entity that employs one or more employees in Minnesota.~~ The term includes an individual, corporation, partnership, association, nonprofit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

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

Subd. 5. **Family member.** "Family member" means an employee's spouse, child, adult child, stepchild, foster child, ward, child for whom the employee is legal guardian, regular member of the employee's household, parent, stepparent, sibling, grandchild, stepgrandchild, adopted grandchild, foster grandchild, mother-in-law, father-in-law, or grandparent.

Subd. 6. **FMLA.** "FMLA" means the Family and Medical Leave Act of 1993, United States Code, title 29, section 2601, et seq., as amended through the effective date of this section.

Subd. 7. **Commissioner.** "Commissioner" means the commissioner of labor and industry or authorized designee or representative.

Sec. 7. Minnesota Statutes 2014, section 181.942, is amended to read:

#### **181.942 REINSTATEMENT AFTER LEAVE.**

Subdivision 1. **Comparable position.** (a) An employee returning from a leave of absence under section 181.941 is entitled to return to employment in the employee's former position or in a position of comparable duties, number of hours, and pay. An employee returning from a leave of absence longer than one month must notify a supervisor at least two weeks prior to return from leave. An employee returning from a leave under section 181.9412 or ~~181.9413~~ 181.9441 is entitled to return to employment in the employee's former position.

(b) If, during a leave under sections 181.940 to ~~181.944~~ 181.9441, the employer experiences a layoff and the employee would have lost a position had the employee not been on leave, pursuant to the good faith operation of a bona fide layoff and recall system, including a system under a collective bargaining agreement, the employee is not entitled to reinstatement in the former or comparable position. In such circumstances, the employee retains all rights under the layoff and recall system, including a system under a collective bargaining agreement, as if the employee had not taken the leave.

Subd. 2. **Pay; benefits; on return.** An employee returning from a leave of absence under sections 181.940 to ~~181.944~~ 181.9441 is entitled to return to employment at the same rate of pay the employee had been receiving when the leave commenced, plus any automatic adjustments in the employee's pay scale that occurred during leave period. The employee returning from a leave is entitled to retain all accrued preleave benefits of employment and seniority, as if there had been no interruption in service; provided that nothing in sections 181.940 to ~~181.944~~ 181.9441 prevents the accrual of benefits or seniority during the leave pursuant to a collective bargaining or other agreement between the employer and employees.

Subd. 3. **Part-time return.** An employee, by agreement with the employer, may return to work part time during the leave period without forfeiting the right to return to employment at the end of the leave period, as provided in sections 181.940 to ~~181.944~~ 181.9441.

Sec. 8. Minnesota Statutes 2014, section 181.944, is amended to read:

**181.944 INDIVIDUAL REMEDIES.**

In addition to any other remedies provided by law, a person injured by a violation of sections 181.172, paragraph (a) or (d), and 181.939 to ~~181.943~~ 181.9441 may bring a civil action to recover any and all damages recoverable at law, together with costs and disbursements, including reasonable attorney's fees, and may receive injunctive and other equitable relief as determined by a court.

Sec. 9. **[181.9441] EARNED SICK AND SAFE TIME.**

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

(b) "Domestic abuse" has the same meaning as given in section 518B.01.

(c) "Earned sick and safe time" means leave, including paid time off and other paid leave systems, that are paid at the same hourly rate as an employee earns from employment.

(d) "Sexual assault" means an act that constitutes a violation under sections 609.342 to 609.3453, or 609.352.

(e) "Stalking" has the same meaning as given in section 609.749.

**Subd. 2. Accrual of earned sick and safe time.** (a) An employee accrues a minimum of one hour of earned sick and safe time for every 30 hours worked. Except as provided in paragraph (b), an employee may not accrue more than 72 hours of earned sick and safe time in a calendar year unless the employer agrees to a higher amount.

(b) Employees of an employer that employs fewer than 21 employees may not accrue more than 40 hours of earned sick and safe time in a calendar year unless the employer agrees to a higher amount.

(c) Employees who are exempt from overtime requirements under United States Code, title 29, section 213(a)(1), as amended through the effective date of this section, are deemed to work 40 hours in each work week for purposes of accruing earned sick and safe time, except that an employee whose normal work week is less than 40 hours will accrue earned sick and safe time based upon the normal work week.

(d) Earned sick and safe time under this section begins to accrue at the commencement of employment of the employee.

(e) Employees shall be entitled to use accrued earned sick and safe time beginning 90 calendar days following commencement of their employment. After 90 calendar days of employment, employees may use earned sick and safe time as it is accrued.

Subd. 3. **Use of earned sick and safe time.** (a) An employee may use accrued earned sick and safe time for:

(1) an employee's:

(i) mental or physical illness, injury, or health condition;

(ii) need for medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or

(iii) need for preventive medical or health care;

(2) care of a family member:

(i) with a mental or physical illness, injury, or health condition;

(ii) who needs medical diagnosis, care, or treatment of a mental or physical illness, injury, or health condition; or

(iii) who needs preventive medical or health care;

(3) absence due to domestic abuse, sexual assault, or stalking of the employee or employee's family member, provided the absence is to:

(i) seek medical attention related to physical or psychological injury or disability caused by domestic abuse, sexual assault, or stalking;

(ii) obtain services from a victim services organization;

(iii) obtain psychological or other counseling;

(iv) seek relocation due to domestic abuse, sexual assault, or stalking; or

(v) take legal action, including preparing for or participating in any civil or criminal legal proceeding related to or resulting from domestic abuse, sexual assault, or stalking; and

(4) closure of the employee's place of business due to weather or other emergency, or an employee's need to care for a child whose school or place of care has been closed due to weather or other public emergency.

(b) An employer may require notice of the need for use of earned sick and safe time as follows. If the need for use is foreseeable, an employer may require advance notice of the intention to use earned sick and safe time, but in no case shall require more than seven days' advance notice. If the need is not foreseeable, an employer may require an employee to give notice of the need for earned sick and safe time as soon as practicable.

(c) When an employee uses earned sick and safe time for more than three consecutive days, an employer may require reasonable documentation that the earned sick and safe time is covered by paragraph (a). For earned sick and safe time under paragraph (a), clauses (1) and (2), reasonable documentation may include a signed statement by a health care professional indicating the need for use of earned sick and safe time. For earned sick and safe time under paragraph (a), clause (3), an employer must accept a court record or documentation signed by a volunteer for or employee of a victims services organization, an attorney, a police officer, or antiviolenace counselor as reasonable documentation.

(d) An employer may not require, as a condition of an employee's using earned sick and safe time, that the employee seek or find a replacement worker to cover the hours during which the employee uses earned sick and safe time.

(e) Earned sick and safe time may be used in hourly increments or, at the discretion of the employer, increments of less than one hour.

**Subd. 4. Retaliation prohibited.** An employer shall not retaliate against an employee because the employee has requested earned sick and safe time, used earned sick and safe time, or made a complaint or filed an action to enforce a right to earned sick and safe time under this section.

**Subd. 5. Notice and posting.** (a) Employers shall give notice that employees are entitled to earned sick and safe time, the amount of earned sick and safe time, and the terms of its use under this section; that retaliation against employees who request or use earned sick and safe time is prohibited; and that each employee has the right to file a complaint or bring a civil action if earned sick and safe time is denied by the employer or the employee is retaliated against for requesting or using earned sick and safe time.

(b) Employers may comply with this section by supplying employees with a notice in English and other appropriate languages that contains the information required in paragraph (a).

(c) Employers may comply with this section by displaying a poster in a conspicuous and accessible place in each establishment where employees are employed which contains all information required under paragraph (a).

(d) An employer that provides an employee handbook to its employees must include in the handbook notice of employee rights and remedies under this section.

**Subd. 6. Confidentiality and nondisclosure.** If, in conjunction with this section, an employer possesses health or medical information regarding an employee or an employee's family member or information pertaining to domestic abuse, sexual assault, or stalking of an employee or an employee's family member, the employer must treat such information as confidential and not disclose the information except with permission of the employee.

**Subd. 7. No effect on more generous policies.** (a) Nothing in this section shall be construed to discourage employers from adopting or retaining earned sick and safe time policies that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements provided in this section.

(b) Nothing in this section shall be construed to limit the right of parties to a collective bargaining agreement to bargain and agree with respect to earned sick and safe time policies or to diminish the obligation of an employer to comply with any contract, collective bargaining agreement, or any employment benefit program or plan that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in this section.

(c) Employers who provide their employees earned sick and safe time under a paid time off policy or other paid leave policy that meets or exceeds, and does not otherwise conflict with, the minimum standards and requirements provided in this section are not required to provide additional earned sick and safe time.

**Subd. 8. Termination, separation, transfer.** Nothing in this section may be construed as requiring financial or other reimbursement to an employee from an employer upon the employee's termination, resignation, retirement, or other separation from employment for accrued earned sick and safe time that has not been used. If an employee is transferred to a separate division, entity, or location, but remains employed by the same employer, the employee is entitled to all earned sick and safe time accrued at the prior division, entity, or location and is entitled to use all earned sick and safe time as provided in this section. When there is a separation from employment and the employee is rehired within 12 months of separation by the same employer, previously accrued earned sick and safe time that had not been used must be reinstated. An employee is entitled to use accrued earned sick and safe time and accrue additional earned sick and safe time at the commencement of reemployment.

Sec. 10. **REPEALER.**

Minnesota Statutes 2014, section 181.9413, is repealed.

Sec. 11. **EFFECTIVE DATE.**

This article is effective 180 days following final enactment.

ARTICLE 5  
FAIR SCHEDULING

Section 1. Minnesota Statutes 2014, section 177.27, subdivision 4, is amended to read:

Subd. 4. **Compliance orders.** The commissioner may issue an order requiring an employer to comply with sections 177.21 to 177.435, 181.02, 181.03, 181.031, 181.032, 181.101, 181.11, 181.12, 181.13, 181.14, 181.145, 181.15, 181.172, paragraph (a) or (d), 181.275, subdivision 2a, 181.722, 181.79, ~~and~~ 181.939 to 181.943, ~~or~~ and 181.99, and with any rule promulgated under section 177.28. The commissioner shall issue an order requiring an employer to comply with sections 177.41 to 177.435 if the violation is repeated. For purposes of this subdivision only, a violation is repeated if at any time during the two years that preceded the date of violation, the commissioner issued an order to the employer for violation of sections 177.41 to 177.435 and the order is final or the commissioner and the employer have entered into a settlement agreement that required the employer to pay back wages that were required by sections 177.41 to 177.435. The department shall serve the order upon the employer or the employer's authorized representative in person or by certified mail at the employer's place of business. An employer who wishes to contest the order must file written notice of objection to the order with the commissioner within 15 calendar days after being served with the order. A contested case proceeding must then be held in accordance with sections 14.57 to 14.69. If, within 15 calendar days after being served with the order, the employer fails to file a written notice of objection with the commissioner, the order becomes a final order of the commissioner.

Sec. 2. **[181.99] NOTICE OF EMPLOYEE SCHEDULES.**

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

(b) "Commissioner" means the commissioner of labor and industry or authorized designee or representative.

(c) "Employee" means an individual employed by an employer.

(d) "Employer" means a person or entity that employs one or more employees. The term includes an individual, corporation, partnership, association, nonprofit organization, group of persons, state, county, town, city, school district, or other governmental subdivision.

(e) "Flexible working arrangement" means a change in an employee's terms and conditions of employment with respect to work schedule, including, but not limited to, a modified work schedule, changes in start or end times in a work schedule or work shift, a predictable, stable work schedule, part-time employment, job sharing arrangements, working from home, telecommuting, limitations on the employee's availability to work, the location of the employee's worksite, reduction or change in work duties, or part-year employment.

(f) "On-call shift" or "on-call hours" mean time that an employer requires an employee to be available to work, and to contact the employer or its designee or wait to be contacted by the employer or its designee to determine whether the employee must report to work at that time.

(g) "Predictability pay" means payments to an employee, calculated on an hourly basis at the employee's regular rate of pay, for applicable schedule changes pursuant to subdivision 4. An employer must pay an employee predictability pay, when required by this section, in addition to any wages earned for work performed by the employee. An employer must pay predictability pay to an employee in the same pay period in which it was incurred by the employer.

(h) "Shift" means the consecutive hours an employer requires an employee to work or to be on call to work. Breaks totalling two hours or less shall not be considered an interruption of consecutive hours.

(i) "Work week" means a fixed, consecutive seven-day period.

(j) "Work schedule" means all of an employee's regular and on-call shifts during a work week.

**Subd. 2. Advance notice of work schedules.** (a) An employer must give each employee the employee's individual initial work schedule, in writing, at least 21 days before the first day of that work schedule. An employer must contact each employee to notify the employee of any change in the employee's work schedule before the change takes effect and must provide the employee with a revised written work schedule reflecting any changes within 24 hours of making the change.

(b) On or before the beginning of an employee's employment, the employer must provide the employee with a written work schedule for the employee's first 21 days of employment.

(c) An employer may not require an employee to work hours not included in the employee's initial written work schedule without consent in writing by the employee.

(d) An employer must post a written schedule that includes the shifts of all current employees at a worksite at least 21 days before the start of each work week, whether or not they are scheduled to work or be on call that week. The employer must update that posted schedule within 24 hours of any change. The written schedule must be posted in a place that is readily accessible and visible to all employees at a worksite.

(e) An employee's work week must begin on the same day of the week each week, unless the employer provides 21 days advance written notice of a change in the start day of the work week.

(f) An employee has the right to request a change in work schedule, request to limit his or her availability to work particular hours, or otherwise provide input into the employee's work schedule.

(g) An employer must not require an employee to seek or find a replacement employee for any shifts or hours an employee is unable to work.

**Subd. 3. Flexible working arrangements.** (a) An employee has a right to request a flexible working arrangement at any time. Such a request must be in writing.

(b) An employer must consider an employee's request for a flexible working arrangement in good faith and engage in an interactive process with the employee to consider the request and determine whether the request can be granted in a manner consistent with the employer's business operations or legal or contractual obligations. The employer must begin this interactive process within two days of receiving the request. If information provided by the employee making a request for a flexible working arrangement requires clarification, the employer must explain what further information is needed and give the employee reasonable time to produce the information.

(c) After engaging in the interactive process, an employer must notify the employee of its decision regarding a flexible working arrangement, in writing, within two days of its last communication with the employee during the interactive process.

(d) If an employee requests a flexible working arrangement because of a serious health condition of the employee, the employee's responsibilities as a caregiver, or the employee's enrollment in a career-related educational or training program, or if a part-time employee makes the request for a reason related to a second job, the employer must grant the request.

**Subd. 4. Predictability pay required.** (a) Within 21 days of, but not less than 24 hours from, the start of an employee's shift, an employer may do any of the following provided the employer pays the affected employee one hour of predictability pay in addition to wages earned for each changed shift, if any:

- (1) subtract hours from a shift;
- (2) add hours to a shift or add a shift;
- (3) cancel a shift; or
- (4) change the start or end time of a shift.

(b) Within 24 hours of the start of an employee's shift, an employer may do either of the following provided the employer pays the affected employee one hour of predictability pay in addition to wages earned for each changed shift:

- (1) change the start or end time of a shift without changing the total number of hours in the shift; or
- (2) add hours to a shift.

(c) Whenever an employee is scheduled to work a shift, and the employer cancels the shift or reduces the hours in the shift with less than 24 hours notice, the employer must pay the employee the lesser of four hours of predictability pay or predictability pay equal to the number of hours originally scheduled for the shift.

(d) An employer is not required to pay an employee any predictability pay under this subdivision when a schedule change is the result of the employee's request, including, but not limited to, a request to trade shifts with another employee, to use sick leave, vacation time, or any other type of leave.

(e) An employer is not required to pay an employee any predictability pay under this subdivision when a schedule change is the result of mutually agreed upon shift trade among employees.

**Subd. 5. Exception for suspended operations.** The requirements of subdivisions 2 to 4 do not apply to an employer when that employer's operations are suspended:

- (1) due to threats to employees or property;
- (2) when civil authorities have recommended that work not begin or continue;
- (3) due to failure of public utilities or sewer systems or because public utilities fail to supply electricity, water, or gas; or
- (4) due to a natural disaster or weather event.

**Subd. 6. Right to rest.** An employee has the right to decline work hours that occur (1) less than 11 hours after the end of the previous shift, or (2) during the 11 hours following the end of a shift that spanned two days. An employer must pay an employee 1-1/2 times the employee's regular rate of pay for any such hours worked.

**Subd. 7. No discrimination based on hours of work.** (a) An employer must not pay a different regular rate of pay based on the number of hours an employee is scheduled to work to employees whose jobs require equal skill, effort, and duties, and that are performed under similar working conditions. An employer may pay different hourly wages based on other reasons, such as seniority systems, merit, employee responsibilities, or systems that measure earnings by quantity or quality of production.

(b) An employer must not condition eligibility for leave or time off based on the number of hours an employee is scheduled to work for employees whose jobs require equal skill, effort, and duties, and that are performed under similar working conditions. An employer may prorate employee leave or time off based on the number of hours the employee works.

(c) An employer must not condition eligibility for raises or promotions based on the number of hours an employee is scheduled to work for employees whose jobs require equal skill, effort, and duties, and that are performed under similar working conditions. Employers may condition eligibility for raises on other reasons, such as seniority systems, merit, employee responsibilities, or the nature and amount of an employee's work experience.

Subd. 8. **Access to hours.** If an employer has additional hours of work available in positions held by current employees, the employer must offer those hours to current qualified employees before hiring new employees or contractors, including the use of temporary services or staffing agencies.

Subd. 9. **Record keeping requirements.** (a) An employer must keep an accurate record of:

(1) the name, address, and occupation of each employee;

(2) the amount paid each pay period to each employee;

(3) the hours worked each day and each week by each employee; and

(4) each employee's initial work schedule and all subsequent revisions to that work schedule.

(b) An employer must keep the records required by this subdivision for at least two years after the entry date of the record. The records must be maintained at the place of employment, at an office of the employer, or with a bank, accountant, or other central location, and must be open to inspection and available upon request by the commissioner.

(c) An employer must allow an employee to inspect records required by this subdivision and relating to that employee at a reasonable time and place.

(d) The commissioner may impose a civil penalty of up to \$1,000 on an employer for each failure to keep, furnish, or allow inspection of records under this subdivision.

Subd. 10. **Employer retaliation.** No employer shall discharge or take any other adverse action against any person in retaliation for asserting any claim or right under this section, for assisting any other person in doing so, or for informing any person about their rights under this section. An employer taking any adverse action against a person within one year of a person's engaging in the foregoing activities shall raise a presumption that such action was retaliation, which may be rebutted by clear and convincing evidence that such action was taken for other permissible reasons.

Subd. 11. **Individual remedies.** In addition to any other remedies available in law or equity, an employee may bring a civil action seeking redress for a violation or violations of this section directly to any court of competent jurisdiction. An employee may recover any and all damages recoverable at law plus an additional amount equal to twice those damages, together with costs and disbursements including reasonable attorney fees, and may receive injunctive and other equitable relief as determined by a court.

Subd. 12. **Encouragement of more generous policies.** (a) Nothing in this section shall be construed to discourage employers from adopting or retaining policies that meet or exceed, and do not otherwise conflict with, the minimum standards and requirements provided in this section.

(b) This section does not apply to employees covered under a collective bargaining agreement with an employer."

Delete the title and insert:

"A bill for an act relating to employment; establishing a Working Parents Act; providing wage theft protection; providing paid family leave; providing earned sick and safe time; requiring fair scheduling; imposing penalties; requiring reports; authorizing rulemaking; appropriating money; amending Minnesota Statutes 2014, sections 13.7905, by adding a subdivision; 177.24, by adding a subdivision; 177.253, subdivision 1; 177.254, subdivision 1; 177.27, subdivisions 2, 4, 7, 8, 9, by adding subdivisions; 177.28, subdivision 1; 177.32; 181.032; 181.940; 181.941; 181.942; 181.943; 181.9436; 181.944; 290.01, subdivision 19b; 541.05, subdivision 1; 541.07; proposing coding for new law in Minnesota Statutes, chapters 177; 181; repealing Minnesota Statutes 2014, section 181.9413; Minnesota Rules, part 5200.0080, subpart 7."

Signed:

RAYMOND DEHN

Dehn, R., moved that the Minority Report from the Committee on Commerce and Regulatory Reform relating to H. F. No. 1555 be substituted for the Majority Report and that the Minority Report be now adopted.

A roll call was requested and properly seconded.

#### LAY ON THE TABLE

Peppin moved that the Minority Report on H. F. No. 1555 be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Peppin motion and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hertaus	Lueck	Petersburg	Theis
Anderson, P.	Drazkowski	Hoppe	Mack	Peterson	Torkelson
Anderson, S.	Erickson	Howe	McDonald	Pierson	Uglem
Backer	Fenton	Johnson, B.	McNamara	Pugh	Urdahl
Baker	Franson	Kelly	Miller	Quam	Vogel
Barrett	Garofalo	Knoblach	Nash	Rarick	Whelan
Bennett	Green	Koznick	Newberger	Runbeck	Wills
Christensen	Gruenhagen	Kresha	Nornes	Sanders	Zerwas
Cornish	Gunther	Lohmer	O'Driscoll	Schomacker	Spk. Daudt
Daniels	Hamilton	Loon	O'Neill	Scott	
Davids	Hancock	Loonan	Pelowski	Smith	
Dean, M.	Heintzeman	Lucero	Peppin	Swedzinski	

Those who voted in the negative were:

Allen	Dill	Johnson, C.	Mariani	Norton	Thissen
Anzelc	Erhardt	Johnson, S.	Marquart	Persell	Wagenius
Applebaum	Fischer	Kahn	Masin	Pinto	Ward
Atkins	Freiberg	Laine	Melin	Poppe	Winkler
Bernardy	Halverson	Lenczewski	Metsa	Rosenthal	Yarusso
Bly	Hansen	Lesch	Moran	Schoen	Youakim
Carlson	Hausman	Liebling	Mullery	Schultz	
Clark	Hilstrom	Lien	Murphy, E.	Selcer	
Considine	Hornstein	Lillie	Murphy, M.	Simonson	
Davnie	Hortman	Loeffler	Nelson	Slocum	
Dehn, R.	Isaacson	Mahoney	Newton	Sundin	

The motion prevailed and the Minority Report from the Committee on Commerce and Regulatory Reform relating to H. F. No. 1555 was laid on the table.

The question recurred on the adoption of the Majority Report from the Committee on Commerce and Regulatory Reform relating to H. F. No. 1555. The report was adopted.

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

H. F. No. 1582, A bill for an act relating to health; modifying licensing requirements for body piercing technicians; amending Minnesota Statutes 2014, sections 146B.01, subdivisions 6, 28, by adding a subdivision; 146B.03, subdivisions 4, 6, by adding subdivisions; 146B.07, subdivisions 1, 2.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 8, after "feet" insert "and the line of sight"

Page 2, delete section 4 and insert:

"Sec. 3. Minnesota Statutes 2014, section 146B.03, subdivision 4, is amended to read:

Subd. 4. **Licensure requirements.** (a) An applicant for licensure under this section shall submit to the commissioner on a form provided by the commissioner:

- (1) proof that the applicant is over the age of 18;
- (2) the type of license the applicant is applying for;
- (3) all fees required under section 146B.10;

(4) proof of completing a minimum of 200 hours of supervised experience within each area for which the applicant is seeking a license, and must include an affidavit from the supervising licensed technician;

(5) proof of having satisfactorily completed coursework within the year preceding application and approved by the commissioner on bloodborne pathogens, the prevention of disease transmission, infection control, and aseptic technique. Courses to be considered for approval by the commissioner may include, but are not limited to, those administered by one of the following:

- (i) the American Red Cross;
  - (ii) United States Occupational Safety and Health Administration (OSHA); or
  - (iii) the Alliance of Professional Tattooists; and
- (6) any other relevant information requested by the commissioner.

The licensure requirements of this paragraph are effective for all applicants for new licenses issued before January 1, 2016.

(b) An applicant for licensure under this section shall submit to the commissioner on a form provided by the commissioner:

- (1) proof that the applicant is over the age of 18;
- (2) the type of license the applicant is applying for;
- (3) all fees required under section 146B.10;
- (4) a log showing completion of the supervised experience as specified in subdivision 12;
- (5) a signed affidavit from each licensed technician who the applicant listed as providing supervision for each required activity;
- (6) proof of having satisfactorily completed a minimum of five hours of coursework, within the year preceding application and approved by the commissioner, on bloodborne pathogens, the prevention of disease transmission, infection control, and aseptic technique. Courses to be considered for approval by the commissioner may include, but are not limited to, those administered by one of the following:

- (i) the American Red Cross;
  - (ii) the United States Occupational Safety and Health Administration (OSHA); or
  - (iii) the Alliance of Professional Tattooists; and
- (7) any other relevant information requested by the commissioner.

The licensure requirements of this paragraph shall be effective for all applicants for new licenses issued on or after January 1, 2016."

Page 3, line 14, after the semicolon, insert "and"

Page 3, line 16, delete everything after "license"

Page 3, line 17, delete everything before "must"

Page 3, line 18, delete the semicolon and insert a period

Page 3, delete lines 19 to 27

Page 3, delete section 7

Page 5, line 19, after "individual" insert "from an official source"

Page 5, line 28, reinstate the stricken language

Page 5, line 29, reinstate the stricken language and delete the new language

Page 5, line 30, delete the new language

Page 6, after line 4, insert:

"(g) No technician shall perform prohibited body piercings."

Reorder the sections in sequence and correct the internal references

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1584, A bill for an act relating to health; modifying requirements for the license of health professionals; amending Minnesota Statutes 2014, sections 148.271; 214.077; 214.10, subdivisions 2, 2a; 214.32, subdivision 6.

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.

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

H. F. No. 1591, A bill for an act relating to education; providing for policy for early childhood and kindergarten through grade 12 education, including general education, education excellence, special education, facilities and technology, early childhood education, libraries, and state agencies; amending Minnesota Statutes 2014, sections 16A.103, subdivision 1c; 120B.022, subdivisions 1, 1b; 120B.024, subdivision 2; 120B.12, subdivision 2; 120B.125; 120B.30, subdivisions 1, 1a, 3, 4, by adding subdivisions; 120B.31, subdivision 2; 122A.31, subdivisions 1, 2; 122A.414, subdivision 3; 122A.60, subdivision 4; 123A.24, subdivision 1; 123B.77, subdivision 3; 123B.88, subdivision 1; 124D.09, subdivisions 5a, 9; 124D.10, subdivisions 3, 4, 8, 9, 12, 14, by adding a subdivision; 124D.128, subdivision 1; 124D.165, subdivisions 2, 3, 4, by adding subdivisions; 124D.72; 124D.73, subdivisions 3, 4; 124D.74, subdivisions 1, 3, 6; 124D.75, subdivisions 1, 2, 3, 9; 124D.76; 124D.78; 124D.79, subdivisions 1, 2; 124D.791, subdivision 4; 125A.023, subdivisions 3, 4; 125A.027; 125A.21; 125A.28; 125A.63, subdivisions 4, 5; 125A.75, subdivision 9; 125A.76, subdivisions 1, 2c; 125B.26, subdivision 2; 126C.10, subdivision 13a; 126C.13,

subdivisions 3a, 4; 126C.17, subdivisions 1, 2; 126C.48, subdivision 8; 127A.05, subdivision 6, by adding a subdivision; 127A.49, subdivision 1; 127A.70, subdivision 1; 134.20, subdivision 2; Laws 2014, chapter 312, article 16, section 15; repealing Minnesota Statutes 2014, sections 120B.128; 120B.35, subdivision 5; 125A.63, subdivisions 1, 2, 3; 126C.12, subdivision 6; 126C.41, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
EDUCATOR PREPARATION, LICENSURE, AND ACCOUNTABILITY

Section 1. Minnesota Statutes 2014, section 122A.09, subdivision 4, is amended to read:

Subd. 4. **License and rules.** (a) The board must adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board must adopt rules requiring a person to pass a college-level skills examination in reading, writing, and mathematics or attain either ~~a composite score composed of the average of the essentially equivalent passing scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or an equivalent composite score composed of the average of the essentially equivalent passing scores in critical reading, mathematics, and writing on the SAT recommended by the board,~~ as a requirement for initial teacher licensure, except that the board may issue up to two temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed the college-level skills exam or attained ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT. Such rules must require college and universities offering a board-approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the college-level skills examination or attain ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT, including those for whom English is a second language. The requirement to pass a reading, writing, and mathematics college-level skills examination or attain ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. A teacher candidate's official ACT Plus Writing or SAT composite score report to the board must not be more than ten years old at the time of licensure.

(c) The board must adopt rules to approve teacher preparation programs. The board, upon the request of a postsecondary student preparing for teacher licensure or a licensed graduate of a teacher preparation program, shall assist in resolving a dispute between the person and a postsecondary institution providing a teacher preparation program when the dispute involves an institution's recommendation for licensure affecting the person or the person's credentials. At the board's discretion, assistance may include the application of chapter 14.

(d) The board must provide the leadership and adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. Among other components, teacher preparation programs are encouraged to provide a school-year-long student teaching program that combines clinical opportunities with academic coursework and in-depth student teaching experiences to offer students ongoing mentorship, coaching and assessment, help to prepare a professional development plan, and structured learning experiences. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes. Teacher preparation programs including alternative teacher preparation programs under section 122A.245, among other programs, must include a content-specific, board-approved, performance-based assessment that measures teacher candidates in three areas: planning for instruction and

assessment; engaging students and supporting learning; and assessing student learning. The board's redesign rules must include creating flexible, specialized teaching licenses, credentials, and other endorsement forms to increase students' participation in language immersion programs, world language instruction, career development opportunities, work-based learning, early college courses and careers, career and technical programs, Montessori schools, and project and place-based learning, among other career and college ready learning offerings.

(e) The board must adopt rules requiring candidates for initial licenses to pass an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective by September 1, 2001. The rules under this paragraph also must require candidates for initial licenses to teach prekindergarten or elementary students to pass, as part of the examination of licensure-specific teaching skills, test items assessing the candidates' knowledge, skill, and ability in comprehensive, scientifically based reading instruction under section 122A.06, subdivision 4, and their knowledge and understanding of the foundations of reading development, the development of reading comprehension, and reading assessment and instruction, and their ability to integrate that knowledge and understanding.

(f) The board must adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board must grant licenses to interns and to candidates for initial licenses based on appropriate professional competencies that are aligned with the board's licensing system and students' diverse learning needs. All teacher candidates must have preparation in English language development and content instruction for English learners in order to be able to effectively instruct the English learners in their classrooms. The board must include these licenses in a statewide differentiated licensing system that creates new leadership roles for successful experienced teachers premised on a collaborative professional culture dedicated to meeting students' diverse learning needs in the 21st century, recognizes the importance of cultural and linguistic competencies, including the ability to teach and communicate in culturally competent and aware ways, and formalizes mentoring and induction for newly licensed teachers provided through a teacher support framework.

(h) The board must design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board must receive recommendations from local committees as established by the board for the renewal of teaching licenses. The board must require licensed teachers who are renewing a continuing license to include in the renewal requirements further preparation in English language development and specially designed content instruction in English for English learners.

(j) The board must grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 122A.20 and 214.10. The board must not establish any expiration date for application for life licenses.

(k) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation in the areas of using positive behavior interventions and in accommodating, modifying, and adapting curricula, materials, and strategies to appropriately meet the needs of individual students and ensure adequate progress toward the state's graduation rule.

(l) In adopting rules to license public school teachers who provide health-related services for disabled children, the board shall adopt rules consistent with license or registration requirements of the commissioner of health and the health-related boards who license personnel who perform similar services outside of the school.

(m) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further reading preparation, consistent with section 122A.06, subdivision 4. The rules do not take effect until they are approved by law. Teachers who do not provide direct instruction including, at least, counselors, school psychologists, school nurses, school social workers, audiovisual directors and coordinators, and recreation personnel are exempt from this section.

(n) The board must adopt rules that require all licensed teachers who are renewing their continuing license to include in their renewal requirements further preparation, first, in understanding the key warning signs of early-onset mental illness in children and adolescents and then, during subsequent licensure renewal periods, preparation may include providing a more in-depth understanding of students' mental illness trauma, accommodations for students' mental illness, parents' role in addressing students' mental illness, Fetal Alcohol Spectrum Disorders, autism, the requirements of section 125A.0942 governing restrictive procedures, ~~and~~ de-escalation methods, and suicide prevention training that is approved as a best practice, among other similar topics.

(o) The board must adopt rules by January 1, 2016, to license applicants under sections 122A.23 and 122A.245. The rules must permit applicants to demonstrate their qualifications through the board's recognition of a teaching license from another state in a similar content field, completion of a state-approved teacher preparation program, teaching experience as the teacher of record in a similar licensure field, depth of content knowledge, depth of content methods or general pedagogy, subject-specific professional development and contribution to the field, or classroom performance as determined by documented student growth on normed assessments or documented effectiveness on evaluations. The rules must adopt criteria for determining a "similar content field" and "similar licensure area."

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all candidates seeking initial teacher licensure, including those holding a temporary, one-year teaching license.

Sec. 2. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision to read:

Subd. 4a. **Teacher and administrator preparation and performance data; report.** (a) The Board of Teaching and the Board of School Administrators, in cooperation with the Minnesota Association of Colleges of Teacher Education and Minnesota colleges and universities offering board-approved teacher or administrator preparation programs, annually must collect and report summary data on teacher and administrator preparation and performance outcomes, consistent with this subdivision. The Board of Teaching and the Board of School Administrators annually by June 1 must update and post the reported summary preparation and performance data on teachers and administrators from the preceding school years on a Web site hosted jointly by the boards.

(b) Publicly reported summary data on teacher preparation programs must include: student entrance requirements for each Board of Teaching-approved program, including grade point average for enrolling students in the preceding year; the average college-level skills examination or ACT or SAT scores of students entering the program in the preceding year; summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time resident and nonresident program graduates in the preceding year needed to complete the program; the current number and percent of students by program who graduated, received a standard Minnesota teaching license, and were hired to teach full time in their licensure field in a Minnesota district or school in the preceding year; the number of content area credits and other credits by undergraduate program that students in the preceding school year needed to complete to graduate; students' pass rates on skills and subject matter exams required for graduation in each program and licensure area in the preceding school year; survey results measuring student and graduate satisfaction with the program in the preceding school year; a standard measure of the satisfaction of school principals or supervising teachers with the student teachers assigned to a school or supervising teacher; and information under paragraphs (d) and (e). Program reporting must be consistent with subdivision 11.

(c) Publicly reported summary data on administrator preparation programs approved by the Board of School Administrators must include: summary data on faculty qualifications, including at least the content areas of faculty undergraduate and graduate degrees and their years of experience either as kindergarten through grade 12 classroom teachers or school administrators; the average time program graduates in the preceding year needed to complete the program; the current number and percent of students who graduated, received a standard Minnesota administrator license, and were employed as an administrator in a Minnesota school district or school in the preceding year; the number of credits by graduate program that students in the preceding school year needed to complete to graduate; survey results measuring student, graduate, and employer satisfaction with the program in the preceding school year; and information under paragraphs (f) and (g). Program reporting must be consistent with section 122A.14, subdivision 10.

(d) School districts annually by October 1 must report to the Board of Teaching the following information for all teachers who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the teacher on the summative evaluation under section 122A.40, subdivision 8, or 122A.41, subdivision 5; the licensure area in which the teacher primarily taught during the three-year evaluation cycle; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(e) School districts annually by October 1 must report to the Board of Teaching the following information for all probationary teachers in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year: the licensure areas in which the probationary teacher taught; and the teacher preparation program preparing the teacher in the teacher's primary areas of instruction and licensure.

(f) School districts annually by October 1 must report to the Board of School Administrators the following information for all school principals and assistant principals who finished the probationary period and accepted a continuing contract position with the district from September 1 of the previous year through August 31 of the current year: the effectiveness category or rating of the principal or assistant principal on the summative evaluation under section 123B.147, subdivision 3; and the principal preparation program providing instruction to the principal or assistant principal.

(g) School districts annually by October 1 must report to the Board of School Administrators all probationary school principals and assistant principals in the district who were released or whose contracts were not renewed from September 1 of the previous year through August 31 of the current year.

**EFFECTIVE DATE.** This section is effective July 1, 2016.

Sec. 3. Minnesota Statutes 2014, section 122A.09, is amended by adding a subdivision to read:

**Subd. 11. Teacher preparation program reporting.** By December 31, 2018, and annually thereafter, the Board of Teaching shall report and publish on its Web site the cumulative summary results of at least three consecutive years of data reported to the board under subdivision 4a, paragraph (b). Where the data are sufficient to yield statistically reliable information and the results would not reveal personally identifiable information about an individual teacher, the board shall report the data by teacher preparation program.

Sec. 4. Minnesota Statutes 2014, section 122A.14, subdivision 3, is amended to read:

**Subd. 3. Rules for continuing education requirements.** The board shall adopt rules establishing continuing education requirements that promote continuous improvement and acquisition of new and relevant skills by school administrators. Continuing education programs, among other things, must provide school administrators with information and training about building coherent and effective English learner strategies that include relevant

professional development, accountability for student progress, students' access to the general curriculum, and sufficient staff capacity to effect these strategies. ~~A retired school principal who serves as a substitute principal or assistant principal for the same person on a day-to-day basis for no more than 15 consecutive school days is not subject to continuing education requirements as a condition of serving as a substitute principal or assistant principal.~~

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

Sec. 5. Minnesota Statutes 2014, section 122A.14, is amended by adding a subdivision to read:

**Subd. 10. Principal preparation program reporting.** By December 31, 2018, and annually thereafter, the Board of School Administrators shall report and publish on its Web site the cumulative summary results of three years of data reported to the board under section 122A.09, subdivision 4a, paragraph (c), for each principal preparation program.

Sec. 6. Minnesota Statutes 2014, section 122A.18, subdivision 2, is amended to read:

**Subd. 2. Teacher and support personnel qualifications.** (a) The Board of Teaching must issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions, including those who meet the standards adopted under section 122A.09, subdivision 4, paragraph (o).

(b) The board must require a person to pass an examination of college-level skills in reading, writing, and mathematics or attain either ~~a composite score composed of the average of the passing scores in English and writing, reading, and mathematics on the ACT Plus Writing recommended by the board, or an equivalent composite score composed of the average of the passing scores in critical reading, mathematics, and writing on the SAT recommended by the board,~~ before being granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs, except that the board may issue up to two temporary, one-year teaching licenses to an otherwise qualified candidate who has not yet passed the college-level skills exam or attained ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT. The board must require colleges and universities offering a board approved teacher preparation program to make available upon request remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the college-level skills examination or attain ~~the requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores, including those for whom English is a second language. The colleges and universities must make available assistance in the specific academic areas of candidates' deficiency. School districts may make available upon request similar, appropriate, and timely remedial assistance that includes a formal diagnostic component to those persons employed by the district who completed their teacher education program, who did not achieve a qualifying score on the college-level skills examination, or attain ~~the requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores, and who received a temporary license to teach in Minnesota. The Board of Teaching shall report annually to the education committees of the legislature on the total number of teacher candidates during the most recent school year taking the college-level skills examination, the number who achieve a qualifying score on the examination, the number who do not achieve a qualifying score on the examination, the distribution of all candidates' scores, ~~the number of candidates who have taken the examination at least once before, and the number of candidates who have taken the examination at least once before and achieve a qualifying score,~~ and the candidates who have not attained the ~~requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores or have not passed a content or pedagogy exam, disaggregated by categories of race, ethnicity, and eligibility for financial aid.

(c) The Board of Teaching must grant continuing licenses only to those persons who ~~have met~~ meet board criteria for granting a continuing license, which includes passing the college-level skills examination in reading, writing, and mathematics or attaining ~~the requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores consistent with paragraph (b), and the exceptions in section 122A.09, subdivision 4, paragraph (b), that are consistent with this paragraph. The requirement to pass a reading, writing, and mathematics college-level

skills examination, or attain ~~the requisite composite score~~ essentially equivalent passing scores on the ACT Plus Writing or SAT does not apply to nonnative English speakers, as verified by qualified Minnesota school district personnel or Minnesota higher education faculty, who, after meeting the content and pedagogy requirements under this subdivision, apply for a teaching license to provide direct instruction in their native language or world language instruction under section 120B.022, subdivision 1. A teacher candidate's official ACT Plus Writing or SAT ~~composite score~~ passing scores report to the board must not be more than ten years old at the time of licensure.

(d) All colleges and universities approved by the board of teaching to prepare persons for teacher licensure must include in their teacher preparation programs a common core of teaching knowledge and skills to be acquired by all persons recommended for teacher licensure. Among other requirements, teacher candidates must demonstrate the knowledge and skills needed to provide appropriate instruction to English learners to support and accelerate their academic literacy, including oral academic language, and achievement in content areas in a regular classroom setting. This common core shall meet the standards developed by the interstate new teacher assessment and support consortium in its 1992 "model standards for beginning teacher licensing and development." Amendments to standards adopted under this paragraph are covered by chapter 14. The board of teaching shall report annually to the education committees of the legislature on the performance of teacher candidates on common core assessments of knowledge and skills under this paragraph during the most recent school year.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all candidates seeking initial teacher licensure, including those holding a temporary, one-year teaching license.

Sec. 7. Minnesota Statutes 2014, section 122A.20, subdivision 1, is amended to read:

Subdivision 1. **Grounds for revocation, suspension, or denial.** (a) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the school board employing a teacher, a teacher organization, or any other interested person, refuse to issue, refuse to renew, suspend, or revoke a teacher's license to teach for any of the following causes:

- (1) immoral character or conduct;
- (2) failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) gross inefficiency or willful neglect of duty;
- (4) failure to meet licensure requirements; or
- (5) fraud or misrepresentation in obtaining a license.

The written complaint must specify the nature and character of the charges.

(b) The Board of Teaching or Board of School Administrators, whichever has jurisdiction over a teacher's licensure, shall refuse to issue, refuse to renew, or automatically revoke a teacher's license to teach without the right to a hearing upon receiving a certified copy of a conviction showing that the teacher has been convicted of child abuse, as defined in section 609.185, sex trafficking in the first degree under section 609.322, subdivision 1, sex trafficking in the second degree under section 609.322, subdivision 1a, engaging in hiring, or agreeing to hire a minor to engage in prostitution under section 609.324, subdivision 1, sexual abuse under section 609.342, 609.343, 609.344, 609.345, 609.3451, subdivision 3, or 617.23, subdivision 3, solicitation of children to engage in sexual conduct or communication of sexually explicit materials to children under section 609.352, interference with privacy under section 609.746 or stalking under section 609.749 and the victim was a minor, using minors in a sexual performance under section 617.246, or possessing pornographic works involving a minor under section 617.247, or any other offense not listed in this paragraph that requires the person to register as a predatory offender under section 243.166, or a crime under a similar law of another state or the United States. The board shall send notice of this licensing action to the district in which the teacher is currently employed.

(c) A person whose license to teach has been revoked, not issued, or not renewed under paragraph (b), may petition the board to reconsider the licensing action if the person's conviction for child abuse or sexual abuse is reversed by a final decision of the Court of Appeals or the Supreme Court or if the person has received a pardon for the offense. The petitioner shall attach a certified copy of the appellate court's final decision or the pardon to the petition. Upon receiving the petition and its attachment, the board shall schedule and hold a disciplinary hearing on the matter under section 214.10, subdivision 2, unless the petitioner waives the right to a hearing. If the board finds that, notwithstanding the reversal of the petitioner's criminal conviction or the issuance of a pardon, the petitioner is disqualified from teaching under paragraph (a), clause (1), the board shall affirm its previous licensing action. If the board finds that the petitioner is not disqualified from teaching under paragraph (a), clause (1), it shall reverse its previous licensing action.

(d) For purposes of this subdivision, the Board of Teaching is delegated the authority to suspend or revoke coaching licenses.

Sec. 8. Minnesota Statutes 2014, section 122A.21, subdivision 2, is amended to read:

Subd. 2. **Licensure via portfolio.** (a) An eligible candidate may use licensure via portfolio to obtain an initial licensure or to add a licensure field, consistent with ~~the~~ applicable Board of Teaching licensure rules.

(b) A candidate for initial licensure must submit to the Educator Licensing Division at the department one portfolio demonstrating pedagogical competence and one portfolio demonstrating content competence.

(c) A candidate seeking to add a licensure field must submit to the Educator Licensing Division at the department one portfolio demonstrating content competence.

(d) The Board of Teaching must notify a candidate who submits a portfolio under paragraph (b) or (c) within 90 calendar days after the portfolio is received whether or not the portfolio was approved. If the portfolio was not approved, the board must immediately inform the candidate how to revise the portfolio to successfully demonstrate the requisite competence. The candidate may resubmit a revised portfolio at any time and the Educator Licensing Division at the department must approve or disapprove the portfolio within 60 calendar days of receiving it.

(e) A candidate must pay to the executive secretary of the Board of Teaching a \$300 fee for the first portfolio submitted for review and a \$200 fee for any portfolio submitted subsequently. The fees must be paid to the executive secretary of the Board of Teaching. The revenue generated from the fee must be deposited in an education licensure portfolio account in the special revenue fund. The fees set by the Board of Teaching are nonrefundable for applicants not qualifying for a license. The Board of Teaching may waive or reduce fees for candidates based on financial need.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all portfolios submitted to the Educator Licensing Division at the department after that date.

Sec. 9. Minnesota Statutes 2014, section 122A.23, is amended to read:

#### **122A.23 APPLICANTS TRAINED IN OTHER STATES.**

Subdivision 1. **Preparation equivalency.** When a license to teach is authorized to be issued to any holder of a diploma or a degree of a Minnesota state university, or of the University of Minnesota, or of a liberal arts university, or a technical training institution, such license may also, in the discretion of the Board of Teaching or the commissioner of education, whichever has jurisdiction, be issued to any holder of a diploma or a degree of a teacher training institution of equivalent rank and standing of any other state. The diploma or degree must be granted by virtue of completing ~~a course~~ coursework in teacher preparation ~~essentially equivalent in content to that required by~~

~~such Minnesota state university or the University of Minnesota or a liberal arts university in Minnesota or a technical training institution~~ as preliminary to the granting of a diploma or a degree of the same rank and class. For purposes of granting a Minnesota teaching license to a person who receives a diploma or degree from a state-accredited, out-of-state teacher training program leading to licensure, the Board of Teaching must establish criteria and streamlined procedures by January 1, 2016, to recognize the experience and professional credentials of the person holding the out-of-state diploma or degree and allow that person to demonstrate to the board the person's qualifications for receiving a Minnesota teaching license based on performance measures the board adopts by January 1, 2016, under this section.

Subd. 2. **Applicants licensed in other states.** (a) Subject to the requirements of sections 122A.18, subdivision 8, and 123B.03, the Board of Teaching must issue a teaching license or a temporary teaching license under paragraphs ~~(b)~~ (c) to ~~(e)~~ (f) to an applicant who holds at least a baccalaureate degree from a regionally accredited college or university and holds or held ~~a similar~~ an out-of-state teaching license that requires the applicant to successfully complete a teacher preparation program approved by the issuing state, which includes either (1) field-specific teaching methods and student teaching, or essentially equivalent experience, or (2) at least two years of teaching experience as the teacher of record in a similar licensure field.

(b) The Board of Teaching may issue a standard license on the basis of teaching experience and examination requirements only.

(c) The Board of Teaching must issue a teaching license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels if the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, and either (i) has completed field-specific teaching methods, student teaching, or equivalent experience, or (ii) has at least two years of teaching experience as the teacher of record in a similar licensure field.

~~(e)~~ (d) The Board of Teaching, consistent with board rules and paragraph ~~(h)~~ (i), must issue up to three one-year temporary teaching licenses to an applicant who holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not successfully completed all exams and human relations preparation components required by the Board of Teaching.

~~(d)~~ (e) The Board of Teaching, consistent with board rules, must issue up to three one-year temporary teaching licenses to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license to teach ~~the same~~ a similar content field and grade levels, where the scope of the out-of-state license is no more than two grade levels less than a similar Minnesota license, but has not completed field-specific teaching methods or student teaching or equivalent experience.

The applicant may complete field-specific teaching methods and student teaching or equivalent experience by successfully participating in a one-year school district mentorship program consistent with board-adopted standards of effective practice and Minnesota graduation requirements.

~~(e)~~ (f) The Board of Teaching must issue a temporary teaching license for a term of up to three years only in the content field or grade levels specified in the out-of-state license to an applicant who:

(1) successfully completed all exams and human relations preparation components required by the Board of Teaching; and

(2) holds or held an out-of-state teaching license where the out-of-state license is more limited in the content field or grade levels than a similar Minnesota license.

~~(f)~~ (g) The Board of Teaching must not issue to an applicant more than three one-year temporary teaching licenses under this subdivision.

~~(g)~~ (h) The Board of Teaching ~~must not~~ may issue a license under this subdivision if the applicant has ~~not~~ attained the additional degrees, credentials, or licenses required in a particular licensure field and the applicant can demonstrate competency by obtaining qualifying scores on the college-level skills examination in reading, writing, and mathematics or demonstrating attainment of essentially equivalent passing scores on the ACT Plus Writing or SAT, and on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraphs (a) and (e).

~~(h)~~ (i) The Board of Teaching must require an applicant for a teaching license or a temporary teaching license under this subdivision to pass a college-level skills examination in reading, writing, and mathematics or demonstrate, consistent with section 122A.09, subdivision 4, the applicant's attainment of either ~~the requisite composite~~ ACT Plus Writing or SAT ~~score~~ essentially equivalent passing scores before the board issues the license unless, notwithstanding other provisions of this subdivision, an applicable board-approved National Association of State Directors of Teacher Education interstate reciprocity agreement exists to allow fully certified teachers from other states to transfer their certification to Minnesota.

**Subd. 3. Teacher licensure agreements with adjoining states.** (a) Notwithstanding other law to the contrary, the Board of Teaching must enter into interstate agreements for teacher licensure to allow fully certified teachers from adjoining states to transfer their certification to Minnesota and receive a full, five-year continuing teaching license without having to complete any additional exams or other preparation requirements. The board must enter into these interstate agreements only after determining that the rigor of the teacher licensure or certification requirements in the adjoining state is commensurate with the rigor of Minnesota's teacher licensure requirements. The board may limit an interstate agreement to particular content fields or grade levels based on established priorities or identified shortages. This subdivision does not apply to out-of-state applicants holding only a provisional teaching license.

(b) The Board of Teaching is strongly encouraged to work with designated authorities in adjoining states to establish reciprocal interstate teacher licensure agreements under this section.

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

Sec. 10. Minnesota Statutes 2014, section 122A.245, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) To improve academic excellence, improve ethnic and cultural diversity in the classroom, and close the academic achievement gap, the Board of Teaching must approve qualified teacher preparation programs under this section that are a means to acquire a two-year limited-term license, which the board may renew one time for an additional one-year term, and to prepare for acquiring a standard license. The following entities are eligible to participate under this section:

(1) a school district ~~or~~, charter school, or nonprofit corporation organized under chapter 317A for an education-related purpose that forms a partnership with a college or university that has a board-approved alternative teacher preparation program; or

(2) a school district ~~or~~, charter school, or nonprofit corporation organized under chapter 317A for an education-related purpose after consulting with a college or university with a board-approved teacher preparation program, ~~that forms a partnership with a nonprofit corporation organized under chapter 317A for an education-related purpose that has a board-approved teacher preparation program.~~

(b) Before ~~participating in this program~~ becoming a teacher of record, a candidate must:

(1) have a bachelor's degree with a 3.0 or higher grade point average unless the board waives the grade point average requirement based on board-adopted criteria adopted by January 1, 2016;

(2) pass the reading, writing, and mathematics college-level skills examination under section 122A.09, subdivision 4, paragraph (b), or demonstrate attainment of either ACT Plus Writing or SAT essentially equivalent passing scores; and

(3) obtain qualifying scores on applicable board-approved rigorous content area and pedagogy examinations under section 122A.09, subdivision 4, paragraph (e).

(c) The Board of Teaching must issue a two-year limited-term license to a person who enrolls in an alternative teacher preparation program. This limited term license is not a provisional license under section 122A.40 or 122A.41.

Sec. 11. Minnesota Statutes 2014, section 122A.245, subdivision 3, is amended to read:

Subd. 3. **Program approval; disapproval.** (a) The Board of Teaching must approve alternative teacher preparation programs under this section based on board-adopted criteria that reflect best practices for alternative teacher preparation programs, consistent with this section.

(b) The board must permit teacher candidates to demonstrate mastery of pedagogy and content standards in school-based settings and through other nontraditional means. "Nontraditional means" must include a portfolio of previous experiences, teaching experience, educator evaluations, certifications marking the completion of education training programs, and essentially equivalent demonstrations.

(c) The board must use nontraditional criteria to determine the qualifications of program instructors.

(d) The board may permit instructors to hold a baccalaureate degree only.

~~(b)~~ (e) If the Board of Teaching determines that a teacher preparation program under this section does not meet the requirements of this section, it may revoke its approval of the program after it notifies the program provider of any deficiencies and gives the program provider an opportunity to remedy the deficiencies.

Sec. 12. Minnesota Statutes 2014, section 122A.245, subdivision 7, is amended to read:

Subd. 7. **Standard license.** The Board of Teaching must issue a standard license to an otherwise qualified teacher candidate under this section who successfully performs throughout a program under this section, ~~successfully completes all required~~ obtains qualifying scores on applicable board-approved rigorous college-level skills, pedagogy, and content area examinations under section 122A.09, subdivision 4, paragraphs (a) and (e), and is recommended for licensure under subdivision 5 or successfully demonstrates to the board qualifications for licensure under subdivision 6.

Sec. 13. Minnesota Statutes 2014, section 122A.25, is amended to read:

**122A.25 NONLICENSED COMMUNITY EXPERTS; VARIANCE.**

Subdivision 1. **Authorization.** Notwithstanding any law, Board of Teaching rule, or commissioner of education rule to the contrary, ~~the Board of Teaching may allow~~ school districts or charter schools ~~to~~ may hire nonlicensed community experts to teach in the public schools or charter schools on a limited basis according to this section after making efforts to obtain acceptable licensed teachers for the particular course or subject area, consistent with subdivision 2, clause (3). A school district or charter school must notify a student's parent or guardian before placing the student in the classroom of a nonlicensed community expert hired by the district or school to provide instruction under this section.

Subd. 2. **Applications Reports; criteria.** The school district or charter school shall apply report to the Board of Teaching ~~for approval~~ when it uses a variance to hire nonlicensed teaching personnel from the community. ~~It approving or disapproving the application for each community expert,~~ The board report shall consider include:

- (1) the qualifications of the community person whom the district or charter school ~~proposes to employ~~ employs;
- (2) the unique and compelling reasons for the need for a variance from the teacher licensure requirements;
- (3) the district's efforts to obtain licensed teachers, who are acceptable to the school board, for the particular course or subject area or the charter school's efforts to obtain licensed teachers for the particular course or subject area;
- (4) the amount of teaching time for which the community expert ~~would be~~ is hired;
- (5) the extent to which the district or charter school ~~is utilizing~~ uses other nonlicensed community experts under this section;
- (6) the nature of the community expert's ~~proposed~~ teaching responsibility; and
- (7) the ~~proposed~~ level of compensation to be paid to the community expert.

Subd. 3. ~~Approval of plan~~ **Comment on variance.** The Board of Teaching ~~shall approve or disapprove an application~~ may comment on a district or charter school report under subdivision 2 within 60 days of receiving it ~~from a school and the district or charter school must post the comment on its official Web site.~~

Subd. 4. **Background check.** A school district or charter school shall provide confirm to the Board of Teaching ~~with confirmation~~ that criminal background checks ~~have been~~ were completed for all nonlicensed community experts employed by the district or charter school ~~and approved by the Board of Teaching~~ under this section.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all nonlicensed community experts hired or sponsored after that date.

Sec. 14. Minnesota Statutes 2014, section 122A.30, is amended to read:

**122A.30 EXEMPTION FOR TECHNICAL COLLEGE EDUCATION INSTRUCTORS.**

Notwithstanding section 122A.15, subdivision 1, and upon approval of the local employer school board, a person who teaches in a part-time vocational or career and technical education program ~~not more than 61 hours per fiscal year~~ is exempt from a license requirement.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all technical education instructors hired after that date.

Sec. 15. Minnesota Statutes 2014, section 122A.40, subdivision 5, is amended to read:

Subd. 5. **Probationary period.** (a) The first three consecutive years of a teacher's first teaching experience in Minnesota in a single district is deemed to be a probationary period of employment, and, the probationary period in each district in which the teacher is thereafter employed shall be one year. The school board must adopt a plan for written evaluation of teachers during the probationary period that is consistent with subdivision 8. Evaluation must occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school must not be included in determining the number of school days on which a teacher performs services. Except as otherwise provided in paragraph (b), during the probationary period any annual contract with any teacher may or may not be renewed (1) as the school board shall see fit, or (2) consistent with the negotiated unrequested leave of absence plan in effect under subdivision 10. However, the board must give any such teacher whose contract it declines to renew for the following school year written notice to that effect before July 1. If the teacher requests reasons for any nonrenewal of a teaching contract, the board must give the teacher its reason in writing, including a statement that appropriate supervision was furnished describing the nature and the extent of such supervision furnished the teacher during the employment by the board, within ten days after receiving such request. The school board may, after a hearing held upon due notice, discharge a teacher during the probationary period for cause, effective immediately, under section 122A.44.

(b) A board must discharge a probationary teacher, effective immediately, upon receipt of notice under section 122A.20, subdivision 1, paragraph (b), that the teacher's license has been revoked due to a conviction for child abuse or sexual abuse.

(c) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(d) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(e) A probationary teacher must complete at least 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

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

Sec. 16. Minnesota Statutes 2014, section 122A.40, subdivision 8, is amended to read:

Subd. 8. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop a teacher evaluation and peer review process for probationary and continuing contract teachers through joint agreement. If a school board and the exclusive representative of the teachers do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

- (1) must, for probationary teachers, provide for all evaluations required under subdivision 5;
- (2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator. For the years when a tenured teacher is not evaluated by a qualified and trained evaluator, the teacher must be evaluated by a peer review;
- (3) must be based on professional teaching standards established in rule;
- (4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;
- (5) may provide time during the school day and school year for peer coaching and teacher collaboration;
- (6) may include job-embedded learning opportunities such as professional learning communities;
- (7) may include mentoring under section 122A.70 and induction programs;
- (8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;
- (9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;
- (10) must use longitudinal data on student engagement and connection, and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of content areas of English learners;
- (11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;
- (12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and
- (13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota

Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.41 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 5.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place a student in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place students in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that subject area and grade.

**EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and later, except paragraph (b), clause (7), is effective for the 2015-2016 school year and later.

Sec. 17. Minnesota Statutes 2014, section 122A.40, subdivision 10, is amended to read:

Subd. 10. **Negotiated unrequested leave of absence.** (a) The school board and the exclusive bargaining representative of the teachers ~~may~~ must negotiate a plan, consistent with subdivision 8, providing for unrequested leave of absence without pay or fringe benefits for as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation of districts. ~~Failing to successfully negotiate such a plan, the provisions of subdivision 11 shall apply.~~ The negotiated plan must not include provisions which would result in the exercise of seniority by a teacher holding only a provisional license, other than a vocational education license, ~~contrary to the provisions of subdivision 11, paragraph (e) if required for the position,~~ or the reinstatement of a teacher holding only a provisional license, other than a vocational education license, ~~contrary to the provisions of subdivision 11, paragraph (e) required for the position.~~ The provisions of section 179A.16 do not apply for the purposes of this subdivision.

(b) Beginning in the 2017-2018 school year and later, and notwithstanding any law to the contrary, a school board must place teachers on unrequested leave of absence based on their subject matter licensure fields, most recent evaluation outcomes and effectiveness category or rating under subdivision 8, and other, locally determined criteria such as teacher seniority, and may include both probationary teachers and continuing contract teachers within an effectiveness category or rating. For purposes of placing a teacher on unrequested leave of absence or recalling a teacher from unrequested leave of absence, a school board is not required to reassign a teacher with more seniority to accommodate the seniority claims of a teacher who is similarly licensed and effective but with less seniority. Nothing in this paragraph permits a school board to use a teacher's remuneration as a basis for making unrequested leave of absence decisions. Any executed employment contract between the school board and the exclusive representative of the teachers must contain the negotiated unrequested leave of absence plan. The school board must publish in a readily accessible format the unrequested leave of absence plan it negotiates under this paragraph.

(c) A teacher who receives notice of being placed on unrequested leave of absence under paragraph (b) may submit to the board, within 14 days of receiving the notice, a written request for a hearing before a neutral hearing officer to establish whether the district met the following teacher evaluation requirements under subdivision 8: if the teacher is a probationary teacher, all evaluations required under subdivision 5 were provided; a three-year professional review cycle was established for the teacher; any summative evaluation of the teacher was performed

by a qualified and trained evaluator; a peer review evaluation occurred in any year when the teacher was not evaluated by a qualified and trained evaluator; and if the teacher did not meet professional teaching standards, a teacher improvement process with goals and timelines was established. The school board and the exclusive representative of the teachers must agree on a panel of people and a process to select the person to hear the matter. The hearing officer must issue a decision within 14 days of the request for the hearing. Nothing in this subdivision prevents a school board and the exclusive representative of the teachers from negotiating a different process for determining whether the teacher evaluation requirements listed in this subdivision were met.

(d) Evaluation outcomes and effectiveness categories under paragraph (b) must not be used to place a teacher on unrequested leave of absence if the principal evaluating the teacher is on an improvement plan under section 123B.147, subdivision 3, paragraph (b), clause (8).

(e) For purposes of this subdivision, a provisional license is a license to teach issued by the Board of Teaching under a waiver or variance.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to negotiated plans for unrequested leave of absence agreed to on or after that date.

Sec. 18. Minnesota Statutes 2014, section 122A.40, subdivision 11, is amended to read:

Subd. 11. **Unrequested leave of absence.** (a) The board may place on unrequested leave of absence, without pay or fringe benefits, as many teachers as may be necessary because of discontinuance of position, lack of pupils, financial limitations, or merger of classes caused by consolidation or reorganization of districts under chapter 123A. The unrequested leave is effective at the close of the school year.

(b) In placing teachers on unrequested leave in the 2014-2015 through 2016-2017 school years only, the board is governed by the following provisions:—in this subdivision.

~~(a)~~ (c) The board may place probationary teachers on unrequested leave first in the inverse order of their employment. A teacher who has acquired continuing contract rights must not be placed on unrequested leave of absence while probationary teachers are retained in positions for which the teacher who has acquired continuing contract rights is licensed;.

~~(b)~~ (d) Teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed in the inverse order in which they were employed by the school district. In the case of equal seniority, the order in which teachers who have acquired continuing contract rights shall be placed on unrequested leave of absence in fields in which they are licensed is negotiable;.

~~(c)~~ (e) Notwithstanding the provisions of paragraph ~~(b)~~ (d), a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the board of teaching, unless that exercise of seniority results in the placement on unrequested leave of absence of another teacher who also holds a provisional license in the same field. The provisions of this paragraph do not apply to vocational education licenses; required for the available positions.

~~(d)~~ (f) Notwithstanding paragraphs ~~(a), (b), and (c)~~, (d), and (e), if the placing of a probationary teacher on unrequested leave before a teacher who has acquired continuing rights, the placing of a teacher who has acquired continuing contract rights on unrequested leave before another teacher who has acquired continuing contract rights but who has greater seniority, or the restriction imposed by the provisions of paragraph ~~(c)~~ (e) would place the district in violation of its affirmative action program, the district may retain the probationary teacher, the teacher with less seniority, or the provisionally licensed teacher;.

~~(e)~~ (g) For purposes of placing a teacher on unrequested leave of absence or recalling a teacher from unrequested leave of absence, nothing in this subdivision requires a school board to reassign a teacher to accommodate the seniority claims of a teacher who is similarly licensed and effective but with less seniority.

(h) Teachers placed on unrequested leave of absence must be reinstated to the positions from which they have been given leaves of absence or, if not available, to other available positions in the school district in fields in which they are licensed. Reinstatement must be in the inverse order of placement on leave of absence. A teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field remains on unrequested leave. The order of reinstatement of teachers who have equal seniority and who are placed on unrequested leave in the same school year is negotiable.

~~(f)~~ (i) Appointment of a new teacher must not be made while there is available, on unrequested leave, a teacher who is properly licensed to fill such vacancy, unless the teacher fails to advise the school board within 30 days of the date of notification that a position is available to that teacher who may return to employment and assume the duties of the position to which appointed on a future date determined by the board.

~~(g)~~ (j) A teacher placed on unrequested leave of absence may engage in teaching or any other occupation during the period of this leave.

~~(h)~~ (k) The unrequested leave of absence must not impair the continuing contract rights of a teacher or result in a loss of credit for previous years of service.

~~(i)~~ (l) Consistent with subdivision 10, the unrequested leave of absence of a teacher who is categorized as effective or better under subdivision 8, who is placed on unrequested leave of absence, and who is not reinstated shall continue for a period of five years, after which the right to reinstatement shall terminate. The teacher's right to reinstatement shall also terminate if the teacher fails to file with the board by April 1 of any each year a written statement requesting reinstatement.

(m) Consistent with subdivision 10, the unrequested leave of absence of a teacher who is categorized as ineffective or less under subdivision 8, who is placed on unrequested leave of absence, and who is not reinstated continues for the following school year only, after which the teacher's right to reinstatement terminates. The teacher's right to reinstatement also terminates if the teacher fails to file with the board by April 1 in that following school year a written statement requesting reinstatement.

~~(j)~~ (n) The same provisions applicable to terminations of probationary or continuing contracts in subdivisions 5 and 7 must apply to placement on unrequested leave of absence.

~~(k)~~ (o) Nothing in this subdivision shall be construed to impair the rights of teachers placed on unrequested leave of absence to receive unemployment benefits if otherwise eligible.

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

Sec. 19. Minnesota Statutes 2014, section 122A.41, subdivision 2, is amended to read:

Subd. 2. **Probationary period; discharge or demotion.** (a) All teachers in the public schools in cities of the first class during the first three years of consecutive employment shall be deemed to be in a probationary period of employment during which period any annual contract with any teacher may, or may not, be renewed (1) as the school board, after consulting with the peer review committee charged with evaluating the probationary teachers under subdivision 3, shall see fit, or (2) consistent with the negotiated plan for discontinuing or terminating teachers in effect under subdivision 14. The school site management team or the school board if there is no school site

management team, shall adopt a plan for a written evaluation of teachers during the probationary period according to subdivisions 3 and 5. Evaluation by the peer review committee charged with evaluating probationary teachers under subdivision 3 shall occur at least three times periodically throughout each school year for a teacher performing services during that school year; the first evaluation must occur within the first 90 days of teaching service. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school shall not be included in determining the number of school days on which a teacher performs services. The school board may, during such probationary period, discharge or demote a teacher for any of the causes as specified in this code. A written statement of the cause of such discharge or demotion shall be given to the teacher by the school board at least 30 days before such removal or demotion shall become effective, and the teacher so notified shall have no right of appeal therefrom.

(b) A probationary teacher whose first three years of consecutive employment are interrupted for active military service and who promptly resumes teaching consistent with federal reemployment timelines for uniformed service personnel under United States Code, title 38, section 4312(e), is considered to have a consecutive teaching experience for purposes of paragraph (a).

(c) A probationary teacher whose first three years of consecutive employment are interrupted for maternity, paternity, or medical leave and who resumes teaching within 12 months of when the leave began is considered to have a consecutive teaching experience for purposes of paragraph (a) if the probationary teacher completes a combined total of three years of teaching service immediately before and after the leave.

(d) A probationary teacher must complete at least 120 days of teaching service each year during the probationary period. Days devoted to parent-teacher conferences, teachers' workshops, and other staff development opportunities and days on which a teacher is absent from school do not count as days of teaching service under this paragraph.

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

Sec. 20. Minnesota Statutes 2014, section 122A.41, subdivision 5, is amended to read:

Subd. 5. **Development, evaluation, and peer coaching for continuing contract teachers.** (a) To improve student learning and success, a school board and an exclusive representative of the teachers in the district, consistent with paragraph (b), may develop an annual teacher evaluation and peer review process for probationary and nonprobationary teachers through joint agreement. If a school board and the exclusive representative of the teachers in the district do not agree to an annual teacher evaluation and peer review process, then the school board and the exclusive representative of the teachers must implement the state teacher evaluation plan developed under paragraph (c). The process must include having trained observers serve as peer coaches or having teachers participate in professional learning communities, consistent with paragraph (b).

(b) To develop, improve, and support qualified teachers and effective teaching practices and improve student learning and success, the annual evaluation process for teachers:

(1) must, for probationary teachers, provide for all evaluations required under subdivision 2;

(2) must establish a three-year professional review cycle for each teacher that includes an individual growth and development plan, a peer review process, and at least one summative evaluation performed by a qualified and trained evaluator such as a school administrator;

(3) must be based on professional teaching standards established in rule;

(4) must coordinate staff development activities under sections 122A.60 and 122A.61 with this evaluation process and teachers' evaluation outcomes;

(5) may provide time during the school day and school year for peer coaching and teacher collaboration;

(6) may include job-embedded learning opportunities such as professional learning communities;

(7) may include mentoring under section 122A.70 and induction programs;

(8) must include an option for teachers to develop and present a portfolio demonstrating evidence of reflection and professional growth, consistent with section 122A.18, subdivision 4, paragraph (b), and include teachers' own performance assessment based on student work samples and examples of teachers' work, which may include video among other activities for the summative evaluation;

(9) must use data from valid and reliable assessments aligned to state and local academic standards and must use state and local measures of student growth and literacy that may include value-added models or student learning goals to determine 35 percent of teacher evaluation results;

(10) must use longitudinal data on student engagement and connection and other student outcome measures explicitly aligned with the elements of curriculum for which teachers are responsible, including academic literacy, oral academic language, and achievement of English learners;

(11) must require qualified and trained evaluators such as school administrators to perform summative evaluations and ensure school districts and charter schools provide for effective evaluator training specific to teacher development and evaluation;

(12) must give teachers not meeting professional teaching standards under clauses (3) through (11) support to improve through a teacher improvement process that includes established goals and timelines; and

(13) must discipline a teacher for not making adequate progress in the teacher improvement process under clause (12) that may include a last chance warning, termination, discharge, nonrenewal, transfer to a different position, a leave of absence, or other discipline a school administrator determines is appropriate.

Data on individual teachers generated under this subdivision are personnel data under section 13.43. The observation and interview notes of peer coaches may only be disclosed to other school officials with the consent of the teacher being coached.

(c) The department, in consultation with parents who may represent parent organizations and teacher and administrator representatives appointed by their respective organizations, representing the Board of Teaching, the Minnesota Association of School Administrators, the Minnesota School Boards Association, the Minnesota Elementary and Secondary Principals Associations, Education Minnesota, and representatives of the Minnesota Assessment Group, the Minnesota Business Partnership, the Minnesota Chamber of Commerce, and Minnesota postsecondary institutions with research expertise in teacher evaluation, must create and publish a teacher evaluation process that complies with the requirements in paragraph (b) and applies to all teachers under this section and section 122A.40 for whom no agreement exists under paragraph (a) for an annual teacher evaluation and peer review process. The teacher evaluation process created under this subdivision does not create additional due process rights for probationary teachers under subdivision 2.

(d) Consistent with the measures of teacher effectiveness under this subdivision:

(1) for students in kindergarten through grade 4, a school administrator must not place a student in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that grade; and

(2) for students in grades 5 through 12, a school administrator must not place students in consecutive school years in the classroom of a teacher with the lowest evaluation rating in the previous school year unless no other teacher at the school teaches that subject area and grade.

**EFFECTIVE DATE.** This section is effective for the 2017-2018 school year and later, except paragraph (b), clause (7), is effective for the 2015-2016 school year and later.

Sec. 21. Minnesota Statutes 2014, section 122A.41, subdivision 14, is amended to read:

Subd. 14. **Services terminated by discontinuance or lack of pupils; preference given.** ~~(a) A teacher whose services are terminated on account of discontinuance of position or lack of pupils must receive first consideration for other positions in the district for which that teacher is qualified.~~ In the event it becomes necessary to discontinue one or more positions in the 2014-2015 through the 2016-2017 school years, in making such discontinuance, teachers must receive first consideration for other positions in the district for which that teacher is qualified and must be discontinued in any department in the inverse order in which they were employed, unless,

(b) Beginning in the 2017-2018 school year and later, a board and the exclusive representative of teachers in the district must negotiate a plan providing otherwise, consistent with subdivision 5, for discontinuing and terminating teachers under this subdivision based on their subject matter licensure fields, most recent evaluation outcomes and effectiveness category or rating under subdivision 5, and other, locally determined criteria such as teacher seniority, and may include both probationary teachers and continuing contract teachers within an effectiveness category or rating. For purposes of discharging, demoting, or recalling a teacher whose services are discontinued or terminated under this subdivision, a school board is not required to reassign a teacher with more seniority to accommodate the seniority claims of a teacher who is similarly licensed and effective but with less seniority. Nothing in this paragraph permits a school board to use a teacher's remuneration as a basis for discontinuing or terminating a teacher. Any executed employment contract between the school board and the exclusive representative of the teachers must contain the negotiated plan for discontinuing or terminating teachers. The school board must publish in a readily accessible format any plan it negotiates for discontinuing or terminating teachers under this paragraph.

(c) A teacher who receives notice of discontinuance or termination under paragraph (b) may submit to the board, within 14 days of receiving the notice, a written request for a hearing before a neutral hearing officer to establish whether the district met the following teacher evaluation requirements under subdivision 5: if the teacher is a probationary teacher, all evaluations required under subdivision 2 were provided; a three-year professional review cycle was established for the teacher; any summative evaluation of the teacher was performed by a qualified and trained evaluator; a peer review evaluation occurred in any year when the teacher was not evaluated by a qualified and trained evaluator; and if the teacher did not meet professional teaching standards, a teacher improvement process with goals and timelines was established. The school board and the exclusive representative of the teachers must agree on a panel of people and a process to select the person to hear the matter. The hearing officer must issue a decision within 14 days of the request for the hearing. Nothing in this subdivision prevents a school board and the exclusive representative of the teachers from negotiating a different process for determining whether the teacher evaluation requirements listed in this subdivision were met.

~~(b)~~ (d) Notwithstanding the provisions of ~~clause~~ paragraph (a), for the 2014-2015 through 2016-2017 school years, a teacher is not entitled to exercise any seniority when that exercise results in that teacher being retained by the district in a field for which the teacher holds only a provisional license, as defined by the Board of Teaching, unless that exercise of seniority results in ~~the termination of~~ terminating the services, on account of discontinuance of position or lack of pupils, of another teacher who also holds a provisional license in the same field. The provisions of this ~~clause~~ paragraph do not apply to vocational education licenses.

~~(c)~~ (e) Notwithstanding the provisions of ~~clause~~ paragraph (a), for the 2014-2015 through 2016-2017 school years, a teacher must not be reinstated to a position in a field in which the teacher holds only a provisional license, other than a vocational education license, while another teacher who holds a nonprovisional license in the same field is available for reinstatement.

(f) Evaluation outcomes and effectiveness categories under paragraph (b) must not be used to place a teacher on unrequested leave of absence if the principal evaluating the teacher is on an improvement plan under section 123B.147, subdivision 3, paragraph (b), clause (8).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to negotiated plans for discontinuing or terminating teachers agreed to on or after that date.

Sec. 22. Minnesota Statutes 2014, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, which may include a hiring bonus or other added compensation for teachers identified as effective or highly effective under the local teacher professional review cycle who work in a hard-to-fill position or hard-to-staff school setting such as a school with a majority of students whose families meet federal poverty guidelines, a geographically isolated school, or a school identified by the state as eligible for targeted programs or services for its students. The salary schedule must prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student growth and literacy that may include value-added models or student learning goals, consistent with section 122A.40, subdivision 8, clause (9), or 122A.41, subdivision 5, clause (9), and other measures that include the academic literacy, oral academic language, and achievement of English learners under section 122A.40, subdivision 8, clause (10), or 122A.41, subdivision 5, clause (10); and

(iii) an objective evaluation program under section 122A.40, subdivision 8, paragraph (b), clause (2), or 122A.41, subdivision 5, paragraph (b), clause (2);

(4) provide for participation in job-embedded learning opportunities such as professional learning communities to improve instructional skills and learning that are aligned with student needs under section 122A.413, consistent with the staff development plan under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and applies to an alternative teacher professional pay agreement entered into or modified after that date.

Sec. 23. Minnesota Statutes 2014, section 122A.60, subdivision 1a, is amended to read:

Subd. 1a. **Effective staff development activities.** (a) Staff development activities must:

- (1) focus on the school classroom and research-based strategies that improve student learning;
- (2) provide opportunities for teachers to practice and improve their instructional skills over time;
- (3) provide opportunities for teachers to use student data as part of their daily work to increase student achievement;
- (4) enhance teacher content knowledge and instructional skills, including to accommodate the delivery of digital and blended learning and curriculum and engage students with technology;
- (5) align with state and local academic standards;
- (6) provide opportunities to build professional relationships, foster collaboration among principals and staff who provide instruction, and provide opportunities for teacher-to-teacher mentoring under section 122A.70 that may include a teacher mentor stipend;
- (7) align with the plan of the district or site for an alternative teacher professional pay system;
- (8) provide teachers of English learners, including English as a second language and content teachers, with differentiated instructional strategies critical for ensuring students' long-term academic success; the means to effectively use assessment data on the academic literacy, oral academic language, and English language development of English learners; and skills to support native and English language development across the curriculum; and
- (9) provide opportunities for staff to learn about current workforce trends, the connections between workforce trends and postsecondary education, and training options, including career and technical education options.

Staff development activities may include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.

(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under section 122A.61.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 24. Minnesota Statutes 2014, section 122A.61, subdivision 1, is amended to read:

Subdivision 1. **Staff development revenue.** A district is required to reserve an amount equal to at least two percent of the basic revenue under section 126C.10, subdivision 2, for in-service education for programs under section 120B.22, subdivision 2, for staff development plans, including plans for challenging instructional activities and experiences under section 122A.60, and for curriculum development and programs, other in-service education, teachers' mentoring under section 122A.70 and evaluation, teachers' workshops, teacher conferences, the cost of substitute teachers for staff development purposes, preservice and in-service education for special education

professionals and paraprofessionals, and other related costs for staff development efforts. A district may annually waive the requirement to reserve their basic revenue under this section if a majority vote of the licensed teachers in the district and a majority vote of the school board agree to a resolution to waive the requirement. A district in statutory operating debt is exempt from reserving basic revenue according to this section. Districts may expend an additional amount of unreserved revenue for staff development based on their needs.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 25. Minnesota Statutes 2014, section 122A.69, is amended to read:

**122A.69 PRACTICE OR STUDENT TEACHERS.**

The Board of Teaching may, by agreements with teacher ~~preparing~~ preparation institutions, arrange for classroom experience in the district for practice or student teachers who have completed ~~not less than~~ at least two years of an approved teacher ~~education~~ preparation program. Such practice and student teachers must be ~~provided with appropriate supervision~~ appropriately supervised by a fully qualified teacher under rules ~~promulgated~~ adopted by the board. A practice or student teacher must be placed with a cooperating licensed teacher who has at least three years of teaching experience and is not in the improvement process under section 122A.40, subdivision 8, paragraph (b), clause (12), or 122A.41, subdivision 5, paragraph (b), clause (12). Practice and student teachers are ~~deemed~~ employees of the school district in which they are rendering services for purposes of workers' compensation; liability insurance, if provided for other district employees ~~in accordance with~~ under section 123B.23; and legal counsel ~~in accordance with the provisions of~~ under section 123B.25.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 26. Minnesota Statutes 2014, section 122A.70, subdivision 1, is amended to read:

Subdivision 1. **Teacher mentoring programs.** (a) School districts ~~are encouraged to~~ may develop ~~teacher mentoring and implement~~ programs for mentoring teachers new to the profession or district, ~~including and may, at a minimum, include in the mentoring program~~ teaching residents, teachers of color, teachers with special needs, ~~or~~ and experienced teachers under section 122A.40, subdivision 8, paragraph (b), clause (12), or 122A.41, subdivision 5, paragraph (b), clause (12), in need of peer coaching.

(b) Teacher mentoring programs must support districts' teacher evaluation and peer review processes under section 122A.40, subdivision 8, or 122A.41, subdivision 5. A district may use staff development revenue under sections 122A.60 and 122A.61 or another funding source to pay a stipend to a mentor who may be a district employee or a third-party contractor.

Sec. 27. Minnesota Statutes 2014, section 123A.75, subdivision 1, is amended to read:

Subdivision 1. **Teacher assignment.** (a) As of the effective date of a consolidation in which a district is divided or the dissolution of a district and its attachment to two or more existing districts, each teacher employed by an affected district shall be assigned to the newly created or enlarged district on the basis of a ratio of the pupils assigned to each district according to the new district boundaries. The district receiving the greatest number of pupils must be assigned the most effective teacher under section 122A.40, subdivision 8, with the greatest seniority, and the remaining teachers must be alternately assigned to each district from most to least effective and with most to least seniority within each category or rating of effectiveness until the district receiving the fewest pupils has received its ratio of teachers who will not be retiring before the effective date of the consolidation or dissolution.

(b) Notwithstanding paragraph (a), the board and the exclusive representative of teachers in each district involved in the consolidation or dissolution and attachment may negotiate a plan for assigning teachers to each newly created or enlarged district.

(c) Notwithstanding any other law to the contrary, the provisions of this section apply only to the extent they are consistent with section 122A.40, subdivisions 8, 10, and 11.

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

Sec. 28. Minnesota Statutes 2014, section 179A.20, is amended by adding a subdivision to read:

Subd. 4a. **Unrequested leave of absence for teachers.** A school board and the exclusive representative of the teachers may not execute a contract effective for the 2017-2018 school year or later unless the contract contains a plan for unrequested leave of absence under section 122A.40, subdivision 10, or a plan for discontinuing or terminating teachers under section 122A.41, subdivision 14.

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

Sec. 29. **TEACHER LICENSURE AGREEMENTS WITH ADJOINING STATES.**

The Board of Teaching must prepare and submit a report to the K-12 education committees of the legislature by February 15, 2016, indicating the number, contracting states, and extent of the interstate agreements for teacher licensure under Minnesota Statutes, section 122A.23, subdivision 3, reached between August 1 and December 31, 2015.

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

Sec. 30. **TEACHER PREPARATION PROGRAMS FOCUSED ON PROJECT-BASED LEARNING.**

(a) The Board of Teaching, in collaboration with education faculty at Minnesota State University, Mankato and other interested education faculty at other Minnesota postsecondary institutions; licensed career and technical education teachers; employers participating in cooperative career and technical education programs; other providers of project-based learning opportunities; and other interested education, teacher preparation, and work-related stakeholders, are encouraged to develop and submit to the K-12 education committees of the legislature by February 1, 2017, a proposal to implement a research-based, results-oriented teacher preparation curriculum focused on the knowledge and skills teachers need to effectively provide and facilitate project-based learning.

(b) The proposal under paragraph (a) must include, at least, the following program components:

(1) recruitment of fully engaged and qualified individuals;

(2) culturally responsive preparation, project-based learning assessments, engaged students, qualified postsecondary faculty and mentors, and a project-based learning focus;

(3) support for P-20 wraparound services, scholarships, mentorships, access to technology, and professional learning opportunities; and

(4) multiple instruments that focus on and measure student learning and engagement, teacher performance, and program efficacy.

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

Sec. 31. **REPEALER.**

Minnesota Statutes 2014, section 122A.40, subdivision 11, is repealed.

**EFFECTIVE DATE.** This section is effective beginning in the 2017-2018 school year and later.

ARTICLE 2  
STATEWIDE STANDARDS AND STUDENT ASSESSMENTS

Section 1. Minnesota Statutes 2014, section 120B.02, subdivision 2, is amended to read:

Subd. 2. **Graduation requirements.** To graduate from high school, students must demonstrate to their enrolling school district or school their satisfactory completion of the credit requirements under section 120B.024 and their understanding of academic standards on a nationally normed college entrance exam as required under section 120B.30, subdivision 1, paragraph (c), clause (1). A school district must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule.

**EFFECTIVE DATE.** This section is effective and applies to students entering grade 9 in the 2015-2016 school year and later.

Sec. 2. Minnesota Statutes 2014, section 120B.021, subdivision 4, is amended to read:

Subd. 4. **Revisions and reviews required.** (a) The commissioner of education must revise and appropriately embed technology and information literacy standards consistent with recommendations from school media specialists into the state's academic standards and graduation requirements and implement a ten-year cycle to review and, consistent with the review, revise state academic standards and related benchmarks, consistent with this subdivision. During each ten-year review and revision cycle, the commissioner also must examine the alignment of each required academic standard and related benchmark with the knowledge and skills students need for career and college readiness and advanced work in the particular subject area. The commissioner must include the contributions of Minnesota American Indian tribes and communities as related to the academic standards during the review and revision of the required academic standards.

(b) The commissioner must ensure that the statewide mathematics assessments administered to students in grades 3 through 8 and 11 are aligned with the state academic standards in mathematics, consistent with section 120B.30, subdivision 1, paragraph (b). The commissioner must implement a review of the academic standards and related benchmarks in mathematics beginning in the ~~2015-2016~~ 2020-2021 school year and every ten years thereafter.

(c) The commissioner must implement a review of the academic standards and related benchmarks in arts beginning in the 2016-2017 school year and every ten years thereafter.

(d) The commissioner must implement a review of the academic standards and related benchmarks in science beginning in the 2017-2018 school year and every ten years thereafter.

(e) The commissioner must implement a review of the academic standards and related benchmarks in language arts beginning in the 2018-2019 school year and every ten years thereafter.

(f) The commissioner must implement a review of the academic standards and related benchmarks in social studies beginning in the 2019-2020 school year and every ten years thereafter.

(g) School districts and charter schools must revise and align local academic standards and high school graduation requirements in health, world languages, and career and technical education to require students to complete the revised standards beginning in a school year determined by the school district or charter school. School districts and charter schools must formally establish a periodic review cycle for the academic standards and related benchmarks in health, world languages, and career and technical education.

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

Sec. 3. Minnesota Statutes 2014, section 120B.022, subdivision 1, is amended to read:

Subdivision 1. **Elective standards.** A district must establish its own standards in ~~the following subject areas:~~

~~(1) career and technical education; and,~~

~~(2) A district must use the current world languages standards developed by the American Council on the Teaching of Foreign Languages.~~

A school district must offer courses in all elective subject areas.

Sec. 4. Minnesota Statutes 2014, section 120B.024, subdivision 2, is amended to read:

Subd. 2. **Credit equivalencies.** (a) A one-half credit of economics taught in a school's agriculture education or business department may fulfill a one-half credit in social studies under subdivision 1, clause (5), if the credit is sufficient to satisfy all of the academic standards in economics.

(b) An agriculture science or career and technical education credit may fulfill ~~the credit in chemistry or physics or~~ the elective science credit required under subdivision 1, clause (4), if the credit meets the state ~~chemistry or physics, or district biology~~ physical science, life science, earth and space science, chemistry, or physics academic standards or a combination of these academic standards as approved by the district. An agriculture or career and technical education credit may fulfill the credit in chemistry or physics required under subdivision 1, clause (4), if the credit meets the state chemistry or physics academic standards as approved by the district. A student must satisfy either all of the chemistry academic standards or all of the physics academic standards prior to graduation. An agriculture science or career and technical education credit may not fulfill the required biology credit under subdivision 1, clause (4).

(c) A career and technical education credit may fulfill a mathematics or arts credit requirement under subdivision 1, clause (2) or (6).

(d) An agriculture education teacher is not required to meet the requirements of Minnesota Rules, part 3505.1150, subpart 1, item B, to meet the credit equivalency requirements of paragraph (b) above.

(e) A computer science credit may fulfill a mathematics credit requirement under subdivision 1, clause (2), if the credit meets state academic standards in mathematics.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 5. Minnesota Statutes 2014, 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) student performance on the National Assessment of Education Progress where applicable;
- (2) the size of the academic achievement gap, rigorous course taking under section 120B.35, subdivision 3, paragraph (c), clause (2), and enrichment experiences by student subgroup;
- (3) student performance on the Minnesota Comprehensive Assessments including attainment of readiness scores identified under section 120B.30, subdivision 1, paragraph (j);
- (4) high school graduation rates; and
- (5) career and college readiness under section 120B.30, subdivision 1, paragraph (p).

Sec. 6. Minnesota Statutes 2014, 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.128~~, 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;
- (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;
- (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.

Sec. 7. Minnesota Statutes 2014, 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 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 7 8. ~~Reading and mathematics assessments for all students in grade 8 must be aligned with the state's required reading and mathematics standards, be administered annually, and include multiple choice questions.~~ 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 establish one or more months during which schools shall administer the tests to students each school year.

(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, ~~or~~ (v) a nationally recognized armed services vocational aptitude test, or (vi) the high school assessments required under subdivision 1a.

(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, ~~or~~ (v) a nationally recognized armed services vocational aptitude test, or (vi) the high school assessments required under subdivision 1a.

(3) Students enrolled in grade 8 in the 2012-2013 or 2013-2014 school year are eligible to be assessed under the ACT assessment for college admission or the high school assessments required under subdivision 1a.

~~(3)~~ (4) For students under clause (1) ~~or~~ (2), or (3), 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~~ 2014-2015 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) demonstrate understanding of required academic standards on ~~a nationally normed college entrance exam~~ high school assessments required under subdivision 1a;

(2) achievement and career and college readiness ~~tests~~ in mathematics, reading, and writing, consistent with paragraph ~~(e)~~ (j) 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

(3) 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 (2), 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.

~~(d) To improve the secondary and postsecondary outcomes of all students, the alignment between secondary and postsecondary education programs and Minnesota's workforce needs, and the efficiency and cost effectiveness of secondary and postsecondary programs, the commissioner, after consulting with the chancellor of the Minnesota State Colleges and Universities and using a request for proposal process, shall contract for a series of assessments that are consistent with this subdivision, aligned with state academic standards, and include career and college readiness benchmarks. Mathematics, reading, and writing assessments for students in grades 8 and 10 must be predictive of a nationally normed assessment for career and college readiness.~~

~~This (e) A nationally recognized assessment must be that is a college entrance exam and given must be offered to students at no cost in grade 11 or 12. This series of assessments must include a college placement diagnostic exam and contain career exploration elements.~~

(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.

~~(4)~~ (g) Districts and schools, on an annual basis, must use ~~the~~ career exploration elements ~~in these assessments~~ 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.

~~(2) Students in grade 10 or 11 not yet academically ready for a career or college based on their growth in academic achievement between grades 8 and 10 must take the college placement diagnostic exam before taking the college entrance exam under clause (3). Students, their families, the school, and the district can then use the results of the college placement diagnostic exam for targeted instruction, intervention, or remediation and improve students' knowledge and skills in core subjects sufficient for a student to graduate and have a reasonable chance to succeed in a career or college without remediation.~~

~~(3) All students except those eligible for alternative assessments must be given the college entrance part of these assessments in grade 11.~~ (h) A student ~~under this clause~~ who demonstrates attainment of required state academic standards, which include career and college readiness benchmarks, on ~~these~~ 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.

(4) (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.

~~(5) A study to determine the alignment between these assessments and state academic standards under this chapter must be conducted. Where alignment exists, the commissioner must seek federal approval to, and immediately upon receiving approval, replace the federally required assessments referenced under subdivision 1a and section 120B.35, subdivision 2, with assessments under this paragraph.~~

~~(e)~~ (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. The commissioner of education, in consultation with the chancellor of the Minnesota State Colleges and Universities, shall identify minimum score guidelines on the high school reading, writing, and mathematics Minnesota Comprehensive Assessments that demonstrate readiness for:

(1) a certificate level program;

(2) a two-year college program; and

(3) a four-year college program.

(⊕) (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 ~~7th~~ 8th grade computer-adaptive assessment results ~~and grade 8~~ 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 ~~7~~ 8 that reveal a trajectory toward career and college readiness. The commissioner must disseminate to the public the computer-adaptive assessments, ~~grade 8,~~ and high school test results upon receiving those results.

(⊕) (n) The grades 3 through ~~7~~ 8 computer-adaptive assessments ~~and grade 8~~ and high school tests must be aligned with state academic standards. The commissioner shall determine the testing process and the order of administration. The statewide results shall be aggregated at the site and district level, consistent with subdivision 1a.

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

(1) uniform statewide computer-adaptive assessments of all students in grades 3 through ~~7~~ 8 and testing at the ~~grade 8 and~~ 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 and will to interact effectively with people of different cultures, native languages, and socioeconomic backgrounds.

(r) A nonpublic school student who transfers into a public school is subject only to the testing requirements under this subdivision specifically applicable to those grades in which the student is enrolled in the public school. For an out-of-state student transferring into a Minnesota school district or charter school, the district or charter school must administer statewide assessments to the student only to the extent the student did not take comparable assessments in another state as determined by the district or school.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 8. Minnesota Statutes 2014, 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 7 ~~beginning in the 2015-2016 school year and later~~ 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 7 8, state-developed ~~grade 8 and~~ high school reading, writing, and mathematics tests aligned with state academic standards, 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 7 8, and ~~grade 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 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 2016-2017 school year and later.

Sec. 9. Laws 2013, chapter 116, article 2, section 20, subdivision 3, is amended to read:

Subd. 3. **Educational planning and assessment system (EPAS) program.** For the educational planning and assessment system program under Minnesota Statutes, section 120B.128:

\$829,000	.....	2014
\$0	.....	2015

Any balance in the first year does not cancel but is available ~~in the second year~~ through the 2020 fiscal year.

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

Sec. 10. **REPEALER.**

Minnesota Statutes 2014, section 120B.128, is repealed.

ARTICLE 3  
EDUCATING STUDENTS AND YOUNG CHILDREN

Section 1. Minnesota Statutes 2014, section 120B.022, subdivision 1a, is amended to read:

Subd. 1a. **Foreign language and culture; proficiency certificates.** (a) World languages teachers and other school staff should develop and implement world languages programs that acknowledge and reinforce the language proficiency and cultural awareness that non-English language speakers already possess, and encourage students' proficiency in multiple world languages. Programs under this section must encompass indigenous American Indian languages and cultures, among other world languages and cultures. The department shall consult with postsecondary institutions in developing related professional development opportunities for purposes of this section.

(b) Any Minnesota public, charter, or nonpublic school may award Minnesota World Language Proficiency Certificates ~~or Minnesota World Language Proficiency High Achievement Certificates~~, consistent with this subdivision.

(c) The Minnesota World Language Proficiency Certificate recognizes students who demonstrate listening, speaking, reading, and writing language skills at the American Council on the Teaching of Foreign Languages' Intermediate-Low level on a valid and reliable assessment tool. ~~For languages listed as Category 3 by the United States Foreign Service Institute or Category 4 by the United States Defense Language Institute, the standard is Intermediate Low for listening and speaking and Novice High for reading and writing.~~

(d) ~~The Minnesota World Language Proficiency High Achievement Certificate recognizes students who demonstrate listening, speaking, reading, and writing language skills at the American Council on the Teaching of Foreign Languages' Pre-Advanced level for K-12 learners on a valid and reliable assessment tool. For languages listed as Category 3 by the United States Foreign Service Institute or Category 4 by the United States Defense Language Institute, the standard is Pre-Advanced for listening and speaking and Intermediate Mid for reading and writing.~~

Sec. 2. Minnesota Statutes 2014, section 120B.022, subdivision 1b, is amended to read:

Subd. 1b. **State bilingual and multilingual seals.** (a) Consistent with efforts to strive for the world's best workforce under sections 120B.11 and 124D.10, subdivision 8, paragraph (u), and close the academic achievement and opportunity gap under sections 124D.861 and 124D.862, voluntary state bilingual and multilingual seals are established to recognize high school ~~graduates~~ students who demonstrate ~~level 3~~ an advanced low level or an intermediate high level of functional ~~native~~ proficiency in listening, speaking, reading, and writing on either ~~the Foreign Services Institute language assessments aligned with American Council on the Teaching of Foreign Languages' (ACTFL) proficiency tests guidelines~~ or on equivalent valid and reliable assessments in one or more languages in addition to English. American Sign Language is a language other than English for purposes of this subdivision and a world language for purposes of subdivision 1a.

(b) In addition to paragraph (a), to be eligible to receive a seal:

- (1) students must satisfactorily complete all required English language arts credits; and
- (2) students ~~whose primary language is other than English~~ must demonstrate mastery of Minnesota's English language proficiency standards.

(c) Consistent with this subdivision, a high school graduate who demonstrates an intermediate high ACTFL level of functional native proficiency in one language in addition to English is eligible to receive the state bilingual gold seal. A high school graduate who demonstrates an intermediate high ACTFL level of functional native proficiency in more than one language in addition to English is eligible to receive the state multilingual gold seal. A high school graduate who demonstrates an advanced low ACTFL level of functional proficiency in one language in addition to English is eligible to receive the state bilingual platinum seal. A high school graduate who demonstrates an advanced-low ACTFL level of functional proficiency in more than one language in addition to English is eligible to receive the state multilingual platinum seal.

(d) School districts and charter schools, ~~in consultation with regional centers of excellence under section 120B.115, must~~ may give students periodic opportunities to demonstrate their level of proficiency in listening, speaking, reading, and writing in a language in addition to English. Where valid and reliable assessments are unavailable, a school district or charter school may rely on ~~a licensed foreign language immersion teacher or a nonlicensed community expert under section 122A.25~~ evaluators trained in assessing under ACTFL proficiency guidelines to assess a student's level of foreign, heritage, or indigenous language proficiency under this section. School districts and charter schools must maintain appropriate records to identify high school graduates eligible to receive the state bilingual or multilingual ~~seal~~ gold and platinum seals. The school district or charter school must affix the appropriate seal to the transcript of each high school graduate who meets the requirements of this subdivision and may affix the seal to the student's diploma. A school district or charter school must not charge the high school graduate a fee for this seal.

(e) A school district or charter school may award elective course credits in world languages to a student who demonstrates the requisite proficiency in a language other than English under this section.

(f) A school district or charter school may award community service credit to a student who demonstrates ~~level 3~~ an intermediate high or advanced low ACTFL level of functional native proficiency in listening, speaking, reading, and writing in a language other than English and who participates in community service activities that are integrated into the curriculum, involve the participation of teachers, and support biliteracy in the school or local community.

(g) ~~The commissioner must develop a Web page for the electronic delivery of these seals. The commissioner must list on the Web page those assessments that are equivalent to the Foreign Services Institute language aligned to ACTFL proficiency tests guidelines.~~

(h) By August 1, 2015, the colleges and universities of the Minnesota State Colleges and Universities system must award foreign language credits to a student who receives a state bilingual seal or a state multilingual seal under this subdivision and may establish criteria to translate the seals into college credits based on the world language course equivalencies identified by the Minnesota State Colleges and Universities faculty and staff and, upon request from an enrolled student, the Minnesota State Colleges and Universities may award foreign language credits to a student who receives a Minnesota World Language Proficiency Certificate or a Minnesota World Language Proficiency High Achievement Certificate under subdivision 1a. A student who demonstrated the requisite level of language proficiency in grade 10, 11, or 12 to receive a seal or certificate and is enrolled in a Minnesota State Colleges and Universities institution must request college credits for the student's seal or proficiency certificate within three academic years after graduating from high school. The University of Minnesota is encouraged to award students foreign language academic credits consistent with this paragraph.

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

Sec. 3. Minnesota Statutes 2014, section 120B.13, subdivision 4, is amended to read:

Subd. 4. **Rigorous course taking information; AP, IB, and PSEO.** The commissioner shall submit the following information on rigorous course taking, disaggregated by student subgroup, school district, and postsecondary institution, to the education committees of the legislature each year by February 1:

(1) the number of pupils enrolled in postsecondary enrollment options under section 124D.09, including concurrent enrollment, career and technical education courses offered as a concurrent enrollment course, advanced placement, and international baccalaureate courses in each school district;

(2) the number of teachers in each district attending training programs offered by the college board, International Baccalaureate North America, Inc., or Minnesota concurrent enrollment programs;

(3) the number of teachers in each district participating in support programs;

(4) recent trends in the field of postsecondary enrollment options under section 124D.09, including concurrent enrollment, advanced placement, and international baccalaureate programs;

(5) expenditures for each category in this section and under sections 124D.09 and 124D.091, including career and technical education courses offered as a concurrent enrollment course; and

(6) other recommendations for the state program or the postsecondary enrollment options under section 124D.09, including concurrent enrollment.

Sec. 4. Minnesota Statutes 2014, section 120B.30, subdivision 3, is amended to read:

Subd. 3. **Reporting.** The commissioner shall 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, 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 also report data that compares performance results among school sites, school districts, Minnesota and other states, and Minnesota and other nations. The commissioner shall 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 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 section 124D.10.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 5. Minnesota Statutes 2014, section 120B.31, subdivision 4, is amended to read:

Subd. 4. **Student performance data.** In developing policies and assessment processes to hold schools and districts accountable for high levels of academic standards under section 120B.021, the commissioner shall aggregate student data over time to report student performance and growth levels measured at the school, school district, and statewide level. When collecting and reporting the performance data, the commissioner shall organize and report the data so that state and local policy makers can understand the educational implications of changes in districts' demographic profiles over time, including student homelessness, among other demographic factors. Any report the commissioner disseminates containing summary data on student performance must integrate student performance and the demographic factors that strongly correlate with that performance.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 6. Minnesota Statutes 2014, section 120B.36, subdivision 1, is amended to read:

Subdivision 1. **School performance reports.** (a) The commissioner shall report student academic performance under section 120B.35, subdivision 2; 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 English learners under section 124D.59, subdivisions 2 and 2a; 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; student homelessness and district mobility; and extracurricular activities. The report also must indicate a school's adequate yearly progress status under applicable federal law, and must not set any designations applicable to high- and low-performing schools due solely to adequate yearly progress status.

(b) The commissioner shall develop, annually update, and post on the department Web site school performance reports.

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

(d) A school or district may appeal its adequate yearly progress status in writing to the commissioner within 30 days of receiving the notice of its status. The commissioner's decision to uphold or deny an appeal is final.

(e) School performance data are nonpublic data under section 13.02, subdivision 9, until the commissioner publicly releases the data. The commissioner shall 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 post the school performance reports no later than October 1.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to school year reports for the 2015-2016 school year and later.

Sec. 7. Minnesota Statutes 2014, section 124D.09, subdivision 5, is amended to read:

Subd. 5. **Authorization; notification.** Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that postsecondary institution. Notwithstanding any other law to the contrary, a 9th or 10th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to enroll in nonsectarian courses offered under subdivision 10, if (1) after all 11th and 12th grade students have applied for a course, additional students are necessary to offer the course and the school district and the eligible postsecondary institution providing the course agree to the student's enrollment or (2) the course is a world language course currently available to 11th and 12th grade students, and consistent with section 120B.022 governing world language standards, certificates, and seals. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school or school district, and the commissioner within ten days of acceptance. The notice must indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for postsecondary credit, the institution must notify the pupil about payment in the customary manner used by the institution.

Sec. 8. Minnesota Statutes 2014, section 124D.09, subdivision 8, is amended to read:

Subd. 8. **Limit on participation.** A pupil who first enrolls in grade 9 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of four academic years. A pupil who first enrolls in grade 10 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of three academic years. A pupil who first enrolls in grade 11 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of two academic years. A pupil who first enrolls in grade 12 may not enroll in postsecondary courses under this section for secondary credit for more than the equivalent of one academic year. If a pupil in grade 9, 10, 11, or 12 first enrolls in a postsecondary course for secondary credit during the school year, the time of participation shall be reduced proportionately. If a pupil is in a learning year or other year-round program and begins each grade in the summer session, summer sessions shall not be counted against the time of participation. If a school district determines a pupil is not on track to graduate, the limit on participation does not apply to that pupil. A pupil who has graduated from high school cannot participate in a program under this section. A pupil who has completed course requirements for graduation but who has not received a diploma may participate in the program under this section.

Sec. 9. Minnesota Statutes 2014, section 124D.091, subdivision 1, is amended to read:

Subdivision 1. **Accreditation.** To establish a uniform standard by which concurrent enrollment courses and professional development activities may be measured, postsecondary institutions ~~are encouraged to apply for accreditation by~~ must adopt and implement the National Alliance of Concurrent Enrollment Partnership's program standards and required evidence for accreditation by the 2020-2021 school year and later.

Sec. 10. Minnesota Statutes 2014, 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 a child three or four years of age on September 1 of the current school year, who has not yet started kindergarten; 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.

(b) Notwithstanding the other provisions of this section, a parent under age 21 who is pursuing a high school or general education equivalency diploma or postsecondary training or education is eligible for an early learning scholarship if the parent has a child age zero to five years old and meets the income eligibility guidelines in this subdivision.

(c) Any siblings between the ages zero to five years old of a child who has been awarded a scholarship under this section must be awarded a scholarship upon request, provided the sibling attends the same program as long as funds are available.

(d) Beginning September 1, 2015, any child under the age of five years old on September 1 of the current school year who has not started kindergarten and is a recipient of an Early Learning Scholarship funded under the federal Race to the Top - Early Learning Challenge Grant must receive a scholarship under this section at the end of the child's Race to the Top - Early Learning Challenge Grant scholarship as long as funds are available.

~~(d)~~ (e) 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.

~~(e)~~ (f) 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.

Sec. 11. Minnesota Statutes 2014, 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.

(b) The commissioner may prioritize applications on factors including:

(1) family income;

(2) geographic location; and

(3) whether the ~~child's family~~ child:

(i) is in foster care;

(ii) is experiencing homelessness;

(iii) is on a waiting list for a publicly funded program providing early education or child care services; or

(iv) has a parent under age 21 who is pursuing a high school or postsecondary training or education.

~~(b)~~ (c) For fiscal years 2014 and 2015 only, scholarships may not exceed \$5,000 per year for each eligible child. For fiscal year 2016 and later, 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.

~~(e)~~ (d) 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. 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)~~ (e) 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~~ six 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)~~ (f) A child who receives a scholarship who 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.

~~(f)~~ (g) For fiscal year 2017 and later, a school district or Head Start program enrolling scholarship recipients under paragraph ~~(e)~~ (d) 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 ~~(e)~~ (d) according to the metered payment system or another schedule established by the commissioner.

**EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

Sec. 12. Minnesota Statutes 2014, 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, 2016, 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.~~

~~(e)~~ (b) Notwithstanding paragraph (a), all Minnesota early learning foundation scholarship program pilot sites are eligible to accept an early learning scholarship under this section.

(c) A provider is not eligible to participate in the scholarship program under this section if:

(1) the provider has been disqualified from receiving payment for child care services from the child care assistance program under chapter 119B due to wrongfully obtaining child care assistance under section 256.98, subdivision 8, paragraph (c);

(2) the program or individual is currently on the national disqualified list for the Child and Adult Care Food Program; or

(3) the program or provider has been convicted of any activity that occurred during the past seven years indicating a lack of business integrity, including fraud, making false statements, receiving stolen property, making false claims, or obstruction of justice.

**EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

Sec. 13. Minnesota Statutes 2014, section 124D.165, is amended by adding a subdivision to read:

Subd. 4a. **Record-keeping requirements.** A program participating under this section must maintain and, at the commissioner's request, make available to the commissioner the attendance records and records of charges and payments for all children participating in this program, including payments from sources other than this program.

Sec. 14. Minnesota Statutes 2014, section 124D.165, is amended by adding a subdivision to read:

Subd. 6. **Use of funds.** (a) Scholarships must be used to supplement and not supplant federal funding.

(b) A scholarship must be used in a program the child regularly attends to ensure the child's access to the general curriculum of the program, consistent with the program schedule.

Sec. 15. Minnesota Statutes 2014, section 124D.73, subdivision 3, is amended to read:

Subd. 3. ~~Advisory task force~~ **Tribal Nations Education Committee.** "Advisory task force" "Tribal Nations Education Committee" means the ~~state advisory task force~~ committee established through tribal directive that the commissioner consults with on American Indian education programs, policy, and all matters related to educating Minnesota's American Indian students.

Sec. 16. Minnesota Statutes 2014, section 124D.73, subdivision 4, is amended to read:

Subd. 4. **Participating school; American Indian school.** "Participating school" and "American Indian school" mean a school that:

- (1) is not operated by a school district; and
- (2) is eligible for a grant under ~~federal~~ Title IV of the Indian VII of the Elementary and Secondary Education Act for the education of American Indian children.

Sec. 17. Minnesota Statutes 2014, section 124D.74, subdivision 1, is amended to read:

Subdivision 1. **Program described.** American Indian education programs are programs in public elementary and secondary schools, nonsectarian nonpublic, community, tribal, charter, or alternative schools enrolling American Indian children designed to:

- (1) support postsecondary preparation for pupils;
- (2) support the academic achievement of American Indian students ~~with identified focus to improve reading and mathematic skills;~~
- (3) make the curriculum ~~more~~ relevant to the needs, interests, and cultural heritage of American Indian pupils;
- (4) provide positive reinforcement of the self-image of American Indian pupils;
- (5) develop intercultural awareness among pupils, parents, and staff; and
- (6) supplement, not supplant, state and federal educational and cocurricular programs.

~~Program components may include: development of support components for students in the areas of~~ services designed to increase completion and graduation rates of American Indian students must emphasize academic achievement, retention, and attendance; ~~development of support components~~ services for staff, including in-service training and technical assistance in methods of teaching American Indian pupils; research projects, including ~~experimentation with~~ innovative teaching approaches and evaluation of methods of relating to American Indian pupils; provision of ~~personal and vocational~~ career counseling to American Indian pupils; modification of curriculum, instructional methods, and administrative procedures to meet the needs of American Indian pupils; and supplemental instruction in American Indian language, literature, history, and culture. Districts offering programs may make contracts for the provision of ~~program components~~ services by establishing cooperative liaisons with tribal programs and American Indian social service agencies. These programs may also be provided as components of early childhood and family education programs.

Sec. 18. Minnesota Statutes 2014, section 124D.74, subdivision 3, is amended to read:

Subd. 3. **Enrollment of other children; shared time enrollment.** To the extent it is economically feasible, a district or participating school may make provision for the voluntary enrollment of non-American Indian children in the instructional components of an American Indian education program in order that they may acquire an understanding of the cultural heritage of the American Indian children for whom that particular program is designed. However, in determining eligibility to participate in a program, priority must be given to American Indian children. American Indian children and other children enrolled in an existing nonpublic school system may be enrolled on a shared time basis in all academic, targeted services, and American Indian education programs.

Sec. 19. Minnesota Statutes 2014, section 124D.74, subdivision 6, is amended to read:

Subd. 6. **Nonverbal courses and extracurricular activities.** In predominantly nonverbal subjects, such as art, music, and physical education, American Indian children shall participate fully and on an equal basis with their ~~contemporaries~~ peers in school classes provided for these subjects. Every school district or participating school shall ensure to children enrolled in American Indian education programs an equal and meaningful opportunity to participate fully with other children in all extracurricular activities. This subdivision shall not be construed to prohibit instruction in nonverbal subjects or extracurricular activities which relate to the cultural heritage of the American Indian children, or which are otherwise necessary to accomplish the objectives described in sections 124D.71 to 124D.82.

Sec. 20. Minnesota Statutes 2014, section 124D.75, subdivision 1, is amended to read:

Subdivision 1. **American Indian language and culture education licenses.** The Board of Teaching, in consultation with the Tribal Nations Education Committee, must grant initial and continuing teaching licenses in American Indian language and culture education that bear the same duration as other initial and continuing licenses. The board must grant licenses to persons who present satisfactory evidence that they:

(1) possess competence in an American Indian language or possess unique qualifications relative to or knowledge and understanding of American Indian history and culture; or

(2) possess a bachelor's degree or other academic degree approved by the board or meet such requirements as to course of study and training as the board may prescribe, or possess such relevant experience as the board may prescribe.

This evidence may be presented by affidavits, tribal resolutions, or by such other methods as the board may prescribe. Individuals may present applications for licensure on their own behalf or these applications may be submitted by the superintendent or other authorized official of a school district, participating school, or an American Indian school.

Sec. 21. Minnesota Statutes 2014, section 124D.75, subdivision 3, is amended to read:

Subd. 3. **Resolution or letter.** All persons applying for a license under this section must submit to the board a resolution or letter of support signed by an American Indian tribal government ~~or its designee~~. All persons holding a license under this section ~~on July 1, 1995, must have on file or file with the board a resolution or letter of support signed by a tribal government or its designee by January 1, 1996, or the next renewal date of the license thereafter.~~

Sec. 22. Minnesota Statutes 2014, section 124D.75, subdivision 9, is amended to read:

Subd. 9. **Affirmative efforts in hiring.** In hiring for all positions in these programs, school districts and participating schools shall give preference to and make affirmative efforts to seek, recruit, and employ persons who share the culture of the American Indian children who are enrolled in the program. The district or participating

school ~~shall~~ must provide procedures for the involvement of the parent advisory committees in ~~designing the procedures for~~ the recruitment, screening and selection of applicants. This subdivision shall not be construed to limit the school board's authority to hire and discharge personnel.

Sec. 23. Minnesota Statutes 2014, section 124D.76, is amended to read:

**124D.76 ~~TEACHERS AIDES;~~ COMMUNITY COORDINATORS, INDIAN HOME/SCHOOL LIAISONS, PARAPROFESSIONALS.**

In addition to employing American Indian language and culture education teachers, each district or participating school providing programs pursuant to sections 124D.71 to 124D.82 may employ ~~teachers' aides~~ paraprofessionals. ~~Teachers' aides~~ Paraprofessionals must not be employed for the purpose of supplanting American Indian language and culture education teachers.

Any district or participating school which conducts American Indian education programs pursuant to sections 124D.71 to 124D.82 must employ one or more full-time or part-time community coordinators or Indian home/school liaisons if there are 100 or more American Indian students enrolled in the ~~program~~ district. Community coordinators shall promote communication understanding, and cooperation between the schools and the community and shall visit the homes of children who are to be enrolled in an American Indian education program in order to convey information about the program.

Sec. 24. Minnesota Statutes 2014, section 124D.78, is amended to read:

**124D.78 PARENT AND COMMUNITY PARTICIPATION.**

Subdivision 1. **Parent committee.** School boards and American Indian schools must provide for the maximum involvement of parents of children enrolled in education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the board of a school district in which there are ten or more American Indian ~~children~~ students enrolled and each American Indian school must establish a an American Indian education parent advisory committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee may serve as the committee required by this section and is subject to, at least, the requirements of this subdivision and subdivision 2.

The American Indian education parent advisory committee must develop its recommendations in consultation with the curriculum advisory committee required by section 120B.11, subdivision 3. This committee must afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. ~~The committee must also address the need for adult education programs for American Indian people in the community.~~ The school board or American Indian school must ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of ~~children~~ students served by the programs.

Subd. 2. **Resolution of concurrence.** Prior to ~~December~~ 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 ~~children~~ 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 be submitted 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.

Subd. 3. **Membership.** The American Indian education parent advisory committee must be composed of parents of children eligible to be enrolled in American Indian education programs; secondary students eligible to be served; American Indian language and culture education teachers and ~~aides~~ paraprofessionals; American Indian teachers; counselors; adult American Indian people enrolled in educational programs; and representatives from community groups. A majority of each committee must be parents of children enrolled or eligible to be enrolled in the programs. The number of parents of American Indian and non-American Indian children shall reflect approximately the proportion of children of those groups enrolled in the programs.

Subd. 4. **Alternate committee.** If the organizational membership or the board of directors of an American Indian school consists of parents of children attending the school, that membership or board may serve also as the American Indian education parent advisory committee.

Sec. 25. Minnesota Statutes 2014, section 124D.79, subdivision 1, is amended to read:

Subdivision 1. **American Indian community involvement.** The commissioner must provide for the maximum involvement of the ~~state committees on American Indian education~~ Tribal Nations Education Committee, parents of American Indian children, secondary students eligible to be served, American Indian language and culture education teachers, American Indian teachers, ~~teachers' aides~~ paraprofessionals, representatives of community groups, and persons knowledgeable in the field of American Indian education, in the formulation of policy and procedures relating to the administration of sections 124D.71 to 124D.82. The commissioner must annually hold a field hearing on Indian education to gather input from American Indian educators, parents, and students on the state of American Indian education in Minnesota. Results of the hearing must be made available to all 11 tribal nations for review and comment.

Sec. 26. Minnesota Statutes 2014, section 124D.79, subdivision 2, is amended to read:

Subd. 2. **Technical assistance.** The commissioner shall provide technical assistance to districts, schools and postsecondary institutions for preservice and in-service training for teachers, American Indian education teachers and ~~teacher's aides~~, paraprofessionals specifically designed to implement culturally responsive teaching methods, culturally based curriculum development, testing and testing mechanisms, and the development of materials for American Indian education programs.

Sec. 27. Minnesota Statutes 2014, section 124D.791, subdivision 4, is amended to read:

Subd. 4. **Duties; powers.** The Indian education director shall:

(1) serve as the liaison for the department with the Tribal Nations Education Committee, the 11 ~~reservations~~ tribal communities in Minnesota, the Minnesota Chippewa tribe, and the Minnesota Indian Affairs Council, ~~and the Urban Advisory Council~~;

(2) evaluate the state of American Indian education in Minnesota;

(3) engage the tribal bodies, community groups, parents of children eligible to be served by American Indian education programs, American Indian administrators and teachers, persons experienced in the training of teachers for American Indian education programs, the tribally controlled schools, and other persons knowledgeable in the field of American Indian education and seek their advice on policies that can improve the quality of American Indian education;

(4) advise the commissioner on American Indian education issues, including:

(i) issues facing American Indian students;

- (ii) policies for American Indian education;
  - (iii) awarding scholarships to eligible American Indian students and in administering the commissioner's duties regarding awarding of American Indian ~~postsecondary preparation~~ education grants to school districts; and
  - (iv) administration of the commissioner's duties under sections 124D.71 to 124D.82 and other programs for the education of American Indian people;
- (5) propose to the commissioner legislative changes that will improve the quality of American Indian education;
- (6) develop a strategic plan and a long-term framework for American Indian education, in conjunction with the Minnesota Indian Affairs Council, that is updated every five years and implemented by the commissioner, with goals to:
- (i) increase American Indian student achievement, including increased levels of proficiency and growth on statewide accountability assessments;
  - (ii) increase the number of American Indian teachers in public schools;
  - (iii) close the achievement gap between American Indian students and their more advantaged peers;
  - (iv) increase the statewide graduation rate for American Indian students; and
  - (v) increase American Indian student placement in postsecondary programs and the workforce; and
- (7) keep the American Indian community informed about the work of the department by reporting to the Tribal Nations Education Committee at each committee meeting.

**Sec. 28. REPORT ON ASSESSING STUDENTS' PROFICIENCY IN FOREIGN LANGUAGES FOR WHICH ACTFL ASSESSMENTS ARE NOT AVAILABLE.**

By February 1, 2016, the commissioner of education, in consultation with the chancellor of the Minnesota State Colleges and Universities, may prepare and submit to the K-12 and higher education committees of the legislature a report recommending how best to: assess students' foreign language proficiency under Minnesota Statutes, section 120B.022, subdivisions 1a and 1b, when ACTFL or equivalent valid and reliable language proficiency assessments are not available; create guidelines for curriculum, instruction, and assessments for foreign languages for which no written forms exist; and, if needed, train a corps of individuals qualified to assess students' foreign language proficiency. The commissioner, when preparing the report, must also consult with postsecondary world languages faculty, teachers of English to speakers of other languages, other experts on teaching language and culture and acquiring language, state councils whose constituencies include nonnative English language speakers, and other stakeholders.

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

**Sec. 29. REPEALER.**

Minnesota Statutes 2014, sections 120B.35, subdivision 5; and 126C.12, subdivision 6, are repealed.

ARTICLE 4  
EDUCATION PROGRAMS

Section 1. Minnesota Statutes 2014, section 120A.41, is amended to read:

**120A.41 LENGTH OF SCHOOL YEAR; HOURS OF INSTRUCTION.**

A school board's annual school calendar must include at least 425 hours of instruction for a kindergarten student without a disability, 935 hours of instruction for a student in grades 1 through 6, and 1,020 hours of instruction for a student in grades 7 through 12, not including summer school. The school calendar for all-day kindergarten must include at least 850 hours of instruction for the school year. A school board's annual calendar must include at least 165 days of instruction for a student in grades 1 through 11 unless a four-day week schedule has been approved by the ~~commissioner~~ board under section ~~124D.126~~ 124D.122.

Sec. 2. Minnesota Statutes 2014, section 120B.12, subdivision 4a, is amended to read:

Subd. 4a. **Local literacy plan.** (a) Consistent with this section, a school district must adopt a local literacy plan to have every child reading at or above grade level no later than the end of grade 3, including English learners. The plan must be consistent with section 122A.06, subdivision 4, and include the following:

(1) a process to assess students' level of reading proficiency, and data to support the effectiveness of an assessment used to screen and identify a student's level of reading proficiency;

(2) a process to notify and involve parents, ~~intervene with;~~

(3) a description of how schools in the district will determine the proper reading intervention strategy for a student and the process for intensifying or modifying the reading strategy in order to obtain measurable reading progress;

(4) evidence-based intervention methods for students who are not reading at or above grade level, ~~and identify and meet~~ and progress monitoring to provide information on the effectiveness of the intervention; and

(5) identification of staff development needs, including a program to meet those needs.

(b) The district must post its literacy plan on the official school district Web site.

**EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

Sec. 3. Minnesota Statutes 2014, section 124D.09, subdivision 5a, is amended to read:

Subd. 5a. **Authorization; career or technical education.** A 10th, 11th, or 12th grade pupil enrolled in a district or an American Indian-controlled tribal contract or grant school eligible for aid under section 124D.83, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may enroll in a career or technical education course offered by a Minnesota state college or university. A 10th grade pupil applying for enrollment in a career or technical education course under this subdivision must have received a passing score on the 8th grade Minnesota Comprehensive Assessment in reading as a condition of enrollment. A current 10th grade pupil who did not take the 8th grade Minnesota Comprehensive Assessment in reading may substitute another reading assessment accepted by the enrolling postsecondary institution. A secondary pupil may enroll in the pupil's first postsecondary options enrollment course under this subdivision. A student who is refused enrollment by a Minnesota state college or university under this subdivision may apply to an eligible institution offering a career or

technical education course. The postsecondary institution must give priority to its students according to subdivision 9. If a secondary student 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 secondary credit at that institution, not to exceed the limits in subdivision 8. A "career or technical course" is a course that is part of a career and technical education program that provides individuals with coherent, rigorous content aligned with academic standards and relevant technical knowledge and skills needed to prepare for further education and careers in current and emerging professions and provide technical skill proficiency, an industry recognized credential, and a certificate, a diploma, or an associate degree.

Sec. 4. Minnesota Statutes 2014, section 124D.09, subdivision 9, is amended to read:

Subd. 9. **Enrollment priority.** (a) A postsecondary institution shall give priority to its postsecondary students when enrolling 10th, 11th, and 12th grade pupils in its courses. A postsecondary institution may provide information about its programs to a secondary school or to a pupil or parent and it may advertise or otherwise recruit or solicit a secondary pupil to enroll in its programs on ~~educational and programmatic grounds only except, notwithstanding other law to the contrary, and for the 2014 2015 through 2019 2020 school years only, an eligible postsecondary institution may advertise or otherwise recruit or solicit a secondary pupil residing in a school district with 700 students or more in grades 10, 11, and 12, to enroll in its programs on~~ educational, programmatic, or financial grounds.

(b) An institution must not enroll secondary pupils, for postsecondary enrollment options purposes, in remedial, developmental, or other courses that are not college level except when a student eligible to participate and enrolled in the graduation incentives program under section 124D.68 enrolls full time in a middle or early college program. A middle or early college program must be specifically designed to allow the student to earn dual high school and college credit with a well-defined pathway to allow the student to earn a postsecondary degree or credential. In this case, the student shall receive developmental college credit and not college credit for completing remedial or developmental courses.

(c) Once a pupil has been enrolled in any postsecondary course under this section, the pupil shall not be displaced by another student.

~~(b)~~ (d) If a postsecondary institution enrolls a secondary school pupil in a course under this section, the postsecondary institution also must enroll in the same course an otherwise enrolled and qualified postsecondary student who qualifies as a veteran under section 197.447, and demonstrates to the postsecondary institution's satisfaction that the institution's established enrollment timelines were not practicable for that student.

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

Sec. 5. Minnesota Statutes 2014, section 124D.09, subdivision 12, is amended to read:

Subd. 12. **Credits.** A pupil must not audit a course under this section.

A district shall grant academic credit to a pupil enrolled in a course for secondary credit if the pupil successfully completes the course. Seven quarter or four semester college credits equal at least one full year of high school credit. Fewer college credits may be prorated. A district must also grant academic credit to a pupil enrolled in a course for postsecondary credit if secondary credit is requested by a pupil. If no comparable course is offered by the district, the district must, as soon as possible, notify the commissioner, who shall determine the number of credits that shall be granted to a pupil who successfully completes a course. If a comparable course is offered by the district, the school board shall grant a comparable number of credits to the pupil. If there is a dispute between the district and the pupil regarding the number of credits granted for a particular course, the pupil may appeal the board's decision to the commissioner. The commissioner's decision regarding the number of credits shall be final.

The secondary credits granted to a pupil must be counted toward the graduation requirements and subject area requirements of the district. Evidence of successful completion of each course and secondary credits granted must be included in the pupil's secondary school record. A pupil shall provide the school with a copy of the pupil's grade in each course taken for secondary credit under this section. Upon the request of a pupil, the pupil's secondary school record must also include evidence of successful completion and credits granted for a course taken for postsecondary credit. In either case, the record must indicate that the credits were earned at a postsecondary institution.

If a pupil enrolls in a postsecondary institution after leaving secondary school, the postsecondary institution must award postsecondary credit for any course successfully completed for secondary credit at that institution. Other postsecondary institutions may award, after a pupil leaves secondary school, postsecondary credit for any courses successfully completed under this section. An institution may not charge a pupil for the award of credit.

The Board of Trustees of the Minnesota State Colleges and Universities and the Board of Regents of the University of Minnesota must, and private nonprofit and proprietary postsecondary institutions should, award postsecondary credit for any successfully completed courses in a program certified by the National Alliance of Concurrent Enrollment Partnerships offered according to an agreement under subdivision 10. Consistent with section 135A.101, subdivision 3, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 6. Minnesota Statutes 2014, section 124D.121, is amended to read:

**124D.121 DEFINITION OF FLEXIBLE LEARNING YEAR PROGRAM.**

"Flexible learning year program" means any district plan ~~approved by the commissioner~~ that utilizes buildings and facilities during the entire year or that provides forms of optional scheduling of pupils and personnel during the learning year in elementary and secondary schools or residential facilities for children with a disability.

Sec. 7. Minnesota Statutes 2014, section 124D.122, is amended to read:

**124D.122 ESTABLISHMENT OF FLEXIBLE LEARNING YEAR PROGRAM.**

The board of any district or a consortium of districts, ~~with the approval of the commissioner,~~ may establish and operate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. Consortia may use a single ~~application and~~ evaluation process, though results, public hearings, and board approvals must be obtained for each district as required under appropriate sections.

Sec. 8. Minnesota Statutes 2014, section 124D.126, subdivision 1, is amended to read:

Subdivision 1. **Powers and duties.** The commissioner must:

~~(1) promulgate rules necessary to the operation of sections 124D.12 to 124D.127;~~

~~(2)~~ (1) cooperate with and provide supervision of flexible learning year programs to determine compliance with the provisions of sections 124D.12 to 124D.127, ~~the commissioner's standards and qualifications, and the proposed program as submitted and approved;~~

~~(3)~~ (2) provide any necessary adjustments of (a) attendance and membership computations and (b) the dates and percentages of apportionment of state aids; and

(4) (3) consistent with the definition of "average daily membership" in section 126C.05, subdivision 8, furnish the board of a district implementing a flexible learning year program with a formula for computing average daily membership. This formula must be computed so that tax levies to be made by the district, state aids to be received by the district, and any and all other formulas based upon average daily membership are not affected solely as a result of adopting this plan of instruction.

Sec. 9. Minnesota Statutes 2014, section 124D.127, is amended to read:

**124D.127 TERMINATION OF FLEXIBLE LEARNING YEAR PROGRAM.**

The board of any district, ~~with the approval of the commissioner of education,~~ may terminate a flexible learning year program in one or more of the day or residential facilities for children with a disability within the district. This section shall not be construed to permit an exception to section 120A.22, 127A.41, subdivision 7, or 127A.43.

Sec. 10. Minnesota Statutes 2014, 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. 11. Minnesota Statutes 2014, section 124D.13, subdivision 4, is amended to read:

Subd. 4. **Home visiting program.** (a) A district that levies for home visiting under section 124D.135, subdivision 6, shall use this revenue to include as part of the early childhood family education programs a parent education component that is designed to reach isolated or at-risk families.

The home visiting program must:

(1) incorporate evidence-informed parenting education practices designed to support the healthy growth and development of children, with a priority focus on reaching those children who have high needs at as early an age as possible;

(2) establish clear objectives and protocols for home visits;

(3) encourage families to make a transition from home visits to site-based parenting programs;

(4) provide program services that are community-based, accessible, and culturally relevant;

(5) foster collaboration among existing agencies and community-based organizations that serve young children and their families, such as public health evidence-based models of home visiting and Head Start home visiting; and

(6) provide information about and assist in making arrangements for an early childhood health and developmental screening when the child nears his or her third birthday.

The home visiting program should be provided by licensed parenting educators, certified family life educators, or professionals with an equivalent license that reflect the demographic composition of the community to the extent possible.

(b) A home visiting program must include information focused on early brain development, including but not limited to brain development at different stages of life, expectations of cognitive functions at different stages of life, suggested activities to encourage healthy brain development, and suggested activities to discourage negative brain development based on a child's surroundings.

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

Sec. 12. Minnesota Statutes 2014, section 125A.01, is amended to read:

#### **125A.01 DEFINITIONS.**

Subdivision 1. **General application.** For purposes of this chapter, the words defined in section 120A.05 have the same meaning.

Subd. 2. **Dyslexia.** "Dyslexia" means a specific learning disability that is neurological in origin. It is characterized by difficulties with accurate or fluent recognition of words and by poor spelling and decoding abilities. These difficulties typically result from a deficit in the phonological component of language that is often unexpected in relation to other cognitive abilities and the provision of effective classroom instruction. Secondary consequences may include problems in reading comprehension and reduced reading experience that can impede the growth of vocabulary and background knowledge.

Sec. 13. Minnesota Statutes 2014, section 135A.101, is amended by adding a subdivision to read:

Subd. 3. **Minnesota transfer curriculum.** Notwithstanding section 135A.08 or other law to the contrary, all MnSCU institutions must give full credit to a secondary pupil who completes for postsecondary credit a postsecondary course or program that is part or all of a goal area or a transfer curriculum at a MnSCU institution when the pupil enrolls in a MnSCU institution after leaving secondary school. Once one MnSCU institution certifies as completed a secondary student's postsecondary course or program that is part or all of a goal area or a transfer curriculum, every MnSCU institution must consider the student's course or program for that goal area or the transfer curriculum as completed.

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

Sec. 14. **COMMISSIONER OF EDUCATION RECOMMENDATIONS ON SERVICE LEARNING.**

The commissioner of education must make recommendations to the legislature on teacher preparation and licensure requirements in the area of service learning by February 15, 2016, consistent with Minnesota Statutes, section 124D.50. The commissioner must consult with service-learning experts, representatives of teacher preparation programs and institutions, community-based service-learning practitioners, licensed teachers, and other interested stakeholders in developing recommendations.

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

Sec. 15. **TRANSFER CURRICULUM REPORT.**

By February 1, 2016, the chancellor of the Minnesota State Colleges and Universities must prepare and submit to the K-12 and higher education committees of the legislature a report describing the implementation of the transfer curriculum policy for postsecondary enrollment options program students under Minnesota Statutes, sections 124D.09, subdivision 12, and 135A.101, subdivision 3, and how to standardize Advanced Placement, International Baccalaureate, and college-level exam program course equivalencies across all state colleges and universities.

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

Sec. 16. **REPEALER.**

Minnesota Rules, part 3500.1000, is repealed.

ARTICLE 5  
SPECIAL EDUCATION

Section 1. Minnesota Statutes 2014, section 122A.31, subdivision 1, is amended to read:

Subdivision 1. **Requirements for American sign language/English interpreters.** (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf (NAD), or a comparable state certification from the commissioner of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

(b) New graduates of an interpreter/transliterator program affiliated with an accredited education institution shall be granted a two-year provisional certificate by the commissioner. During the two-year provisional period, the interpreter/transliterator must develop and implement an education plan in collaboration with a mentor under paragraph (c).

(c) A mentor of a provisionally certified interpreter/transliterator must be an interpreter/transliterator who has either NAD level IV or V certification or RID certified interpreter and certified transliterator certification and have at least three years interpreting/transliterating experience in any educational setting. The mentor, in collaboration with the provisionally certified interpreter/transliterator, shall develop and implement an education plan designed to meet the requirements of paragraph (a), clause (1), and include a weekly on-site mentoring process.

(d) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

- (2) records of the person's formal education, training, experience, and progress on the person's education plan; and
- (3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard of Hearing, or the director's designee~~ K-12 deaf and hard-of-hearing coordinator, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

(e) A school district may employ only an interpreter/transliterater who has been certified under paragraph (a) or (b), or for whom a time-limited extension has been granted under paragraph (d).

Sec. 2. Minnesota Statutes 2014, section 122A.31, subdivision 2, is amended to read:

Subd. 2. **Oral or cued speech transliterators.** (a) In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time or part-time basis for a school district after July 1, 2000, must hold a current applicable transliterater certificate awarded by the national certifying association or comparable state certification from the commissioner of education.

(b) To provide oral or cued speech transliterater services on a full-time or part-time basis, a person employed in a school district must comply with paragraph (a). The commissioner shall grant a nonrenewable, two-year certificate to a school district on behalf of a person who has not yet attained a current applicable transliterater certificate under paragraph (a). A person for whom a nonrenewable, two-year certificate is issued must work under the direction of a licensed teacher who is skilled in language development of individuals who are deaf or hard-of-hearing. A person for whom a nonrenewable, two-year certificate is issued also must enroll in a state-approved training program and demonstrate progress towards the certification required under paragraph (a) sufficient for the person to be certified at the end of the two-year period.

(c) Consistent with the requirements of this paragraph, a person holding a provisional certificate may apply to the commissioner for one time-limited extension. The commissioner, in consultation with the Commission Serving Deaf and Hard-of-Hearing People, must grant the person a time-limited extension of the provisional certificate based on the following documentation:

(1) letters of support from the person's mentor, a parent of a pupil the person serves, the special education director of the district in which the person is employed, and a representative from the regional service center of the deaf and hard-of-hearing;

(2) records of the person's formal education, training, experience, and progress on the person's education plan; and

(3) an explanation of why the extension is needed.

As a condition of receiving the extension, the person must comply with a plan and the accompanying time line for meeting the requirements of this subdivision. A committee composed of the ~~director of the Minnesota Resource Center Serving Deaf and Hard of Hearing, or the director's designee~~ K-12 deaf and hard-of-hearing coordinator, a representative of the Minnesota Association of Deaf Citizens, a representative of the Minnesota Registry of Interpreters of the Deaf, and other appropriate persons selected by the commissioner must develop the plan and time line for the person receiving the extension.

Sec. 3. Minnesota Statutes 2014, section 123B.88, subdivision 1, is amended to read:

Subdivision 1. **Providing transportation.** The board may provide for the transportation of pupils to and from school and for any other purpose. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. In any district, the board must arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been voluntarily surrendered under subdivision 2, or whose privileges have been revoked under section 123B.91, subdivision 1, clause (6), or 123B.90, subdivision 2. The district may provide for the transportation of or the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. Arrangements for attendance may include a requirement that parents or guardians request transportation before it is provided. The board must provide necessary transportation to and from the home of, consistent with section 123B.92, subdivision 1, paragraph (b), clause (4), for a child with a disability not yet enrolled in kindergarten when for the provision of special instruction and services under sections 125A.03 to 125A.24, 125A.26 to 125A.48, and 125A.65 are provided in a location other than in the child's home. Special instruction and services for a child with a disability not yet enrolled in kindergarten include an individualized education program team placement in an early childhood program when that placement is necessary to address the child's level of functioning and needs. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children, the determination of fees, and any other matter relating thereto must be within the sole discretion, control, and management of the board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 4. Minnesota Statutes 2014, section 125A.023, subdivision 3, is amended to read:

Subd. 3. **Definitions.** For purposes of this section and section 125A.027, the following terms have the meanings given them:

(a) "Health plan" means:

- (1) a health plan under section 62Q.01, subdivision 3;
- (2) a county-based purchasing plan under section 256B.692;
- (3) a self-insured health plan established by a local government under section 471.617; or
- (4) self-insured health coverage provided by the state to its employees or retirees.

(b) For purposes of this section, "health plan company" means an entity that issues a health plan as defined in paragraph (a).

(c) "Interagency intervention service system" means a system that coordinates services and programs required in state and federal law to meet the needs of eligible children with disabilities ages birth through 21, including:

- (1) services provided under the following programs or initiatives administered by state or local agencies:
  - (i) the maternal and child health program under title V of the Social Security Act;

- (ii) the Minnesota children with special health needs program under sections 144.05 and 144.07;
  - (iii) the Individuals with Disabilities Education Act, Part B, section 619, and Part C as amended;
  - (iv) medical assistance under title 42, chapter 7, of the Social Security Act;
  - (v) developmental disabilities services under chapter 256B;
  - (vi) the Head Start Act under title 42, chapter 105, of the Social Security Act;
  - (vii) vocational rehabilitation services provided under chapters 248 and 268A and the Rehabilitation Act of 1973;
  - (viii) Juvenile Court Act services provided under sections 260.011 to 260.91; 260B.001 to 260B.446; and 260C.001 to 260C.451;
  - (ix) Minnesota Comprehensive Children's Mental Health Act under section 245.487;
  - (x) the community health services grants under sections 145.88 to 145.9266;
  - (xi) the Local Public Health Act under chapter 145A; and
  - (xii) the Vulnerable Children and Adults Act, sections 256M.60 to 256M.80;
- (2) service provision and funding that can be coordinated through:
- (i) the children's mental health collaborative under section 245.493;
  - (ii) the family services collaborative under section 124D.23;
  - (iii) the community transition interagency committees under section 125A.22; and
  - (iv) the interagency early intervention committees under section 125A.259;
- (3) financial and other funding programs to be coordinated including medical assistance under title 42, chapter 7, of the Social Security Act, the MinnesotaCare program under chapter 256L, Supplemental Social Security Income, Developmental Disabilities Assistance, and any other employment-related activities associated with the Social Security Administration; and services provided under a health plan in conformity with an individual family service plan or an individualized education program or an individual interagency intervention plan; and
- (4) additional appropriate services that local agencies and counties provide on an individual need basis upon determining eligibility and receiving a request from (i) the interagency early intervention committee school board or county board and (ii) the child's parent.
- (d) "Children with disabilities" has the meaning given in section 125A.02.
- (e) A "standardized written plan" means those individual services or programs, with accompanying funding sources, available through the interagency intervention service system to an eligible child other than the services or programs described in the child's individualized education program or the child's individual family service plan.

Sec. 5. Minnesota Statutes 2014, section 125A.023, subdivision 4, is amended to read:

Subd. 4. **State Interagency Committee.** (a) The commissioner of education, on behalf of the governor, shall convene an interagency committee to develop and implement a coordinated, multidisciplinary, interagency intervention service system for children ages three to 21 with disabilities. The commissioners of commerce, education, health, human rights, human services, employment and economic development, and corrections shall each appoint two committee members from their departments; and the Association of Minnesota Counties, Minnesota School Boards Association, the Minnesota Administrators of Special Education, and the School Nurse Association of Minnesota shall each appoint one committee member. The committee shall select a chair from among its members.

(b) The committee shall:

(1) identify and assist in removing state and federal barriers to local coordination of services provided to children with disabilities;

(2) identify adequate, equitable, and flexible funding sources to streamline these services;

(3) develop guidelines for implementing policies that ensure a comprehensive and coordinated system of all state and local agency services, including multidisciplinary assessment practices for children with disabilities ages three to 21, including:

(i) develop, consistent with federal law, a standardized written plan for providing services to a child with disabilities;

(ii) identify how current systems for dispute resolution can be coordinated;

(iii) develop an evaluation process to measure the success of state and local interagency efforts in improving the quality and coordination of services to children with disabilities ages three to 21; and

(iv) develop guidelines to assist the governing boards of the interagency early intervention committees in carrying out the duties assigned in section 125A.027, subdivision 1, paragraph (b); and

(4) carry out other duties necessary to develop and implement within communities a coordinated, multidisciplinary, interagency intervention service system for children with disabilities.

(c) The committee shall consult on an ongoing basis with the state Special Education Advisory Panel and the governor's Interagency Coordinating Council in carrying out its duties under this section, including assisting the governing school boards of the interagency early intervention committees and county boards.

Sec. 6. Minnesota Statutes 2014, section 125A.027, is amended to read:

**125A.027 INTERAGENCY EARLY INTERVENTION COMMITTEE RESPONSIBILITIES LOCAL AGENCY COORDINATION RESPONSIBILITIES.**

Subdivision 1. ~~Additional duties~~ **School board and county board responsibilities.** (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 125A.02 and receiving services from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must conform with a standardized written plan for each eligible child ages three to 21.

(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.

(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages three to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that ensures that coordinated interagency services are coordinated, provided, and paid for and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).

**Subd. 1a. Local governance structure.** ~~(a) The governing school boards of the interagency early intervention committees and county boards~~ are responsible for developing and implementing interagency policies and procedures to coordinate services at the local level for children with disabilities ages three to 21 under guidelines established by the state interagency committee under section 125A.023, subdivision 4. Consistent with the requirements in this section and section 125A.023, ~~the governing school boards of the interagency early intervention committees and county boards~~ may organize as a joint powers board under section 471.59 or enter into an interagency agreement that establishes a governance structure.

~~(b) The governing board of each interagency early intervention committee as defined in section 125A.30, paragraph (a), which may include a juvenile justice professional, shall:~~

~~(1) identify state and federal barriers to local coordination of services provided to children with disabilities;~~

~~(2) implement policies that ensure a comprehensive and coordinated system of all state and local agency services, including practices on multidisciplinary assessment, standardized written plans, dispute resolution, and system evaluation for children with disabilities ages three to 21;~~

~~(3) coordinate services and facilitate payment for services from public and private institutions, agencies, and health plan companies; and~~

~~(4) share needed information consistent with state and federal data practices requirements.~~

**Subd. 2. Appropriate and necessary services.** (a) Parents, physicians, other health care professionals including school nurses, and education and human services providers jointly must determine appropriate and necessary services for eligible children with disabilities ages three to 21. The services provided to the child under this section must conform with the child's standardized written plan. ~~The governing school board of an interagency early intervention committee or county board~~ must provide those services contained in a child's individualized education program and those services for which a legal obligation exists.

(b) Nothing in this section or section 125A.023 increases or decreases the obligation of the state, county, regional agency, local school district, or local agency or organization to pay for education, health care, or social services.

(c) A health plan may not exclude any medically necessary covered service solely because the service is or could be identified in a child's individual family service plan, individualized education program, a plan established under section 504 of the federal Rehabilitation Act of 1973, or a student's individual health plan. This paragraph reaffirms the obligation of a health plan company to provide or pay for certain medically necessary covered services, and encourages a health plan company to coordinate this care with any other providers of similar services. Also, a health plan company may not exclude from a health plan any medically necessary covered service such as an assessment or physical examination solely because the resulting information may be used for an individualized education program or a standardized written plan.

~~Subd. 4. **Responsibilities of school and county boards.** (a) It is the joint responsibility of school and county boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate service for children eligible under section 125A.02 and receiving service from two or more public agencies of which one is the public school must be determined in consultation with parents, physicians, and other education, medical health, and human services providers. The services provided must be in conformity with a standardized written plan for each eligible child ages 3 to 21.~~

~~(b) Appropriate services include those services listed on a child's standardized written plan. These services are those that are required to be documented on a plan under federal and state law or rule.~~

~~(c) School and county boards shall coordinate interagency services. Service responsibilities for eligible children, ages 3 to 21, may be established in interagency agreements or joint powers board agreements. In addition, interagency agreements or joint powers board agreements may be developed to establish agency responsibility that assures that coordinated interagency services are coordinated, provided, and paid for, and that payment is facilitated from public and private sources. School boards must provide, pay for, and facilitate payment for special education services as required under sections 125A.03 and 125A.06. County boards must provide, pay for, and facilitate payment for those programs over which they have service and fiscal responsibility as referenced in section 125A.023, subdivision 3, paragraph (c), clause (1).~~

Sec. 7. Minnesota Statutes 2014, section 125A.08, is amended to read:

#### **125A.08 INDIVIDUALIZED EDUCATION PROGRAMS.**

(a) At the beginning of each school year, each school district shall have in effect, for each child with a disability, an individualized education program.

(b) As defined in this section, every district must ensure the following:

(1) all students with disabilities are provided the special instruction and services which are appropriate to their needs. Where the individualized education program team has determined appropriate goals and objectives based on the student's needs, including the extent to which the student can be included in the least restrictive environment, and where there are essentially equivalent and effective instruction, related services, or assistive technology devices available to meet the student's needs, cost to the district may be among the factors considered by the team in choosing how to provide the appropriate services, instruction, or devices that are to be made part of the student's individualized education program. The individualized education program team shall consider and may authorize services covered by medical assistance according to section 256B.0625, subdivision 26. The student's needs and the special education instruction and services to be provided must be agreed upon through the development of an individualized education program. The program must address the student's need to develop skills to live and work as independently as possible within the community. The individualized education program team must consider positive behavioral interventions, strategies, and supports that address behavior needs for children ~~with attention deficit disorder or attention deficit hyperactivity disorder~~. During grade 9, the program must address the student's needs for transition from secondary services to postsecondary education and training, employment, community participation, recreation, and leisure and home living. In developing the program, districts must inform parents of the full range of transitional goals and related services that should be considered. The program must include a statement of the needed transition services, including a statement of the interagency responsibilities or linkages or both before secondary services are concluded;

(2) children with a disability under age five and their families are provided special instruction and services appropriate to the child's level of functioning and needs;

(3) children with a disability and their parents or guardians are guaranteed procedural safeguards and the right to participate in decisions involving identification, assessment including assistive technology assessment, and educational placement of children with a disability;

(4) eligibility and needs of children with a disability are determined by an initial evaluation or reevaluation, which may be completed using existing data under United States Code, title 20, section 33, et seq.;

(5) to the maximum extent appropriate, children with a disability, including those in public or private institutions or other care facilities, are educated with children who are not disabled, and that special classes, separate schooling, or other removal of children with a disability from the regular educational environment occurs only when and to the extent that the nature or severity of the disability is such that education in regular classes with the use of supplementary services cannot be achieved satisfactorily;

(6) in accordance with recognized professional standards, testing and evaluation materials, and procedures used for the purposes of classification and placement of children with a disability are selected and administered so as not to be racially or culturally discriminatory; and

(7) the rights of the child are protected when the parents or guardians are not known or not available, or the child is a ward of the state.

(c) For all paraprofessionals employed to work in programs ~~for~~ whose role in part is to provide direct support to students with disabilities, the school board in each district shall ensure that:

(1) before or ~~immediately upon~~ beginning at the time of employment, each paraprofessional ~~develops~~ must develop sufficient knowledge and skills in emergency procedures, building orientation, roles and responsibilities, confidentiality, vulnerability, and reportability, among other things, to begin meeting the needs, especially disability-specific and behavioral needs, of the students with whom the paraprofessional works;

(2) annual training opportunities are ~~available~~ required to enable the paraprofessional to continue to further develop the knowledge and skills that are specific to the students with whom the paraprofessional works, including understanding disabilities, the unique and individual needs of each student according to the student's disability and how the disability affects the student's education and behavior, following lesson plans, and implementing follow-up instructional procedures and activities; and

(3) a districtwide process obligates each paraprofessional to work under the ongoing direction of a licensed teacher and, where appropriate and possible, the supervision of a school nurse.

#### Sec. 8. **[125A.083] STUDENT INFORMATION SYSTEMS; TRANSFERRING RECORDS.**

To efficiently and effectively meet federal and state compliance and accountability requirements using an online case management reporting system, school districts may contract only with a student information system vendor employing a universal filing system that is compatible with the online system for compliance reporting under section 125A.085 beginning in the 2018-2019 school year and later. A district's universal filing system under this section must facilitate the seamless transfer of student records for a student with disabilities who transfers between school districts, including records containing the student's evaluation report, service plan, and other due process forms and information, regardless of what filing system any one district uses.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to all district contracts with student information system vendors entered into or modified after that date.

Sec. 9. Minnesota Statutes 2014, section 125A.085, is amended to read:

**125A.085 ONLINE REPORTING OF REQUIRED DATA.**

(a) To ensure a strong focus on outcomes for children with disabilities informs federal and state compliance and accountability requirements and to increase opportunities for special educators and related-services providers to focus on teaching children with disabilities, the commissioner must customize a streamlined, user-friendly statewide online system, with a single model online form, for effectively and efficiently collecting and reporting required special education-related data to individuals with a legitimate educational interest and who are authorized by law to access the data.

(b) The commissioner must consult with qualified experts, including information technology specialists, licensed special education teachers and directors of special education, related-services providers, third-party vendors, a designee of the commissioner of human services, parents of children with disabilities, representatives of advocacy groups representing children with disabilities, and representatives of school districts and special education cooperatives on integrating, field testing, customizing, and sustaining this simple, easily accessible, efficient, and effective online data system for uniform statewide reporting of required due process compliance data. Among other outcomes, the system must:

(1) reduce special education teachers' paperwork burden and thereby increase the teachers' opportunities to focus on teaching children;

(2) to the extent authorized by chapter 13 or other applicable state or federal law governing access to and dissemination of educational records, provide for efficiently and effectively transmitting the records of all transferring children with disabilities, including highly mobile and homeless children with disabilities, among others, and avoid fragmented service delivery;

(3) address language and other barriers and disparities that prevent parents from understanding and communicating information about the needs of their children with disabilities; and

(4) help continuously improve the interface among the online systems serving children with disabilities in order to maintain and reinforce the children's ability to learn.

(c) The commissioner must use the federal Office of Special Education Programs model forms for the (1) individualized education program, (2) notice of procedural safeguards, and (3) prior written notice that are consistent with Part B of IDEA to integrate and customize a state-sponsored universal special education online case management system, consistent with the requirements of state law and this section for customizing a statewide online reporting system. The commissioner must use a request for proposal process to contract for the technology and software needed for customizing the online system in order for the system to be fully functional, consistent with the requirements of this section. This online system must be made available to school districts without charge beginning in the 2015-2016 school year. For the 2015-2016 through 2017-2018 school years and later, school districts may use this online system or may contract with an outside vendor for compliance reporting. ~~Beginning in the 2018-2019 school year and later, school districts must use this online system for compliance reporting.~~

(d) All data on individuals maintained in the statewide reporting system are classified as provided in chapter 13 or other applicable state or federal law. An authorized individual's ability to enter, update, or access data must be limited through the use of role-based access codes corresponding to that individual's official duties or training level, and the statutory authorization that grants access for a particular purpose. Any action in which data in the system are entered, updated, accessed, or shared or disseminated outside of the system must be recorded in an audit trail. The audit trail must identify the specific user responsible for the action, the date and time the action occurred, and the purpose for the action. Data contained in the audit trail maintain the same classification as the underlying data

affected by the action, provided the responsible authority makes the data available to a student or the student's parent upon request, and the responsible authority may access the data to audit the system's user activity and security safeguards. Before entering data on a student, the responsible authority must provide the student or the student's parent written notice of the data practices rights and responsibilities required by this section and a reasonable opportunity to refuse consent to have the student's data included in the system. Upon receiving the student or the student's parent written refusal to consent, the school district must not enter data on that student into the system and must delete any existing data on that student currently in the system.

(e) Consistent with this section, the commissioner must establish a public Internet Web interface to provide information to educators, parents, and the public about the form and content of required special education reports, to respond to queries from educators, parents, and the public about specific aspects of special education reports and reporting, and to use the information garnered from the interface to streamline and revise special education reporting on the online system under this section. The public Internet Web interface must have a prominently linked page describing the rights and responsibilities of students and parents whose data are included in the statewide reporting system, and include information on the data practices rights of students and parents provided by this section and a form students or parents may use to refuse consent to have a student's data included in the system. The public Internet Web interface must not provide access to the educational records of any individual child.

(f) The commissioner annually by February 1 must submit to the legislature a report on the status, recent changes, and sustainability of the online system under this section.

Sec. 10. Minnesota Statutes 2014, section 125A.0942, subdivision 3, is amended to read:

Subd. 3. **Physical holding or seclusion.** (a) Physical holding or seclusion may be used only in an emergency. A school that uses physical holding or seclusion shall meet the following requirements:

- (1) physical holding or seclusion is the least intrusive intervention that effectively responds to the emergency;
- (2) physical holding or seclusion is not used to discipline a noncompliant child;
- (3) physical holding or seclusion ends when the threat of harm ends and the staff determines the child can safely return to the classroom or activity;
- (4) staff directly observes the child while physical holding or seclusion is being used;
- (5) each time physical holding or seclusion is used, the staff person who implements or oversees the physical holding or seclusion documents, as soon as possible after the incident concludes, the following information:
  - (i) a description of the incident that led to the physical holding or seclusion;
  - (ii) why a less restrictive measure failed or was determined by staff to be inappropriate or impractical;
  - (iii) the time the physical holding or seclusion began and the time the child was released; and
  - (iv) a brief record of the child's behavioral and physical status;
- (6) the room used for seclusion must:
  - (i) be at least six feet by five feet;
  - (ii) be well lit, well ventilated, adequately heated, and clean;

- (iii) have a window that allows staff to directly observe a child in seclusion;
  - (iv) have tamperproof fixtures, electrical switches located immediately outside the door, and secure ceilings;
  - (v) have doors that open out and are unlocked, locked with keyless locks that have immediate release mechanisms, or locked with locks that have immediate release mechanisms connected with a fire and emergency system; and
  - (vi) not contain objects that a child may use to injure the child or others;
- (7) before using a room for seclusion, a school must:
- (i) receive written notice from local authorities that the room and the locking mechanisms comply with applicable building, fire, and safety codes; and
  - (ii) register the room with the commissioner, who may view that room; and
- (8) until August 1, 2015, a school district may use prone restraints with children age five or older if:
- (i) the district has provided to the department a list of staff who have had specific training on the use of prone restraints;
  - (ii) the district provides information on the type of training that was provided and by whom;
  - (iii) only staff who received specific training use prone restraints;
  - (iv) each incident of the use of prone restraints is reported to the department within five working days on a form provided by the department; and
  - (v) the district, before using prone restraints, must review any known medical or psychological limitations that contraindicate the use of prone restraints.

The department must collect data on districts' use of prone restraints and publish the data in a readily accessible format on the department's Web site on a quarterly basis.

(b) By February 1, 2015, and annually thereafter, stakeholders ~~must~~ may, as necessary, recommend to the commissioner specific and measurable implementation and outcome goals for reducing the use of restrictive procedures and the commissioner must submit to the legislature a report on districts' progress in reducing the use of restrictive procedures that recommends how to further reduce these procedures and eliminate the use of prone restraints. The statewide plan includes the following components: measurable goals; the resources, training, technical assistance, mental health services, and collaborative efforts needed to significantly reduce districts' use of prone restraints; and recommendations to clarify and improve the law governing districts' use of restrictive procedures. The commissioner must consult with interested stakeholders when preparing the report, including representatives of advocacy organizations, special education directors, teachers, paraprofessionals, intermediate school districts, school boards, day treatment providers, county social services, state human services department staff, mental health professionals, and autism experts. By June 30 each year, districts must report summary data on their use of restrictive procedures to the department, in a form and manner determined by the commissioner. The summary data must include information about the use of restrictive procedures, including use of reasonable force under section 121A.582.

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

Sec. 11. Minnesota Statutes 2014, section 125A.21, is amended to read:

**125A.21 THIRD-PARTY PAYMENT.**

Subdivision 1. **Obligation to pay.** Nothing in sections 125A.03 to 125A.24 and 125A.65 relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family. A school district shall pay the nonfederal share of medical assistance services provided according to section 256B.0625, subdivision 26. Eligible expenditures must not be made from federal funds or funds used to match other federal funds. Any federal disallowances are the responsibility of the school district. A school district may pay or reimburse co-payments, coinsurance, deductibles, and other enrollee cost-sharing amounts, on behalf of the student or family, in connection with health and related services provided under an individual educational plan or individualized family service plan.

Subd. 2. **Third-party reimbursement.** (a) Beginning July 1, 2000, districts shall seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage. Districts shall request, but may not require, the child's family to provide information about the child's health coverage when a child with a disability begins to receive services from the district of a type that may be reimbursable, and shall request, but may not require, updated information after that as needed.

(b) For children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health coverage, a district shall provide an initial and annual written notice to the enrolled child's parent or legal representative of its intent to seek reimbursement from medical assistance or MinnesotaCare for the individualized education program or individualized family service plan health-related services provided by the district. The initial notice must give the child's parent or legal representative the right to request a copy of the child's education records on the health-related services that the district provided to the child and disclosed to a third-party payer.

(c) The district shall give the parent or legal representative annual written notice of:

(1) the district's intent to seek reimbursement from medical assistance or MinnesotaCare for individualized education program or individualized family service plan health-related services provided by the district;

(2) the right of the parent or legal representative to request a copy of all records concerning individualized education program or individualized family service plan health-related services disclosed by the district to any third party; and

(3) the right of the parent or legal representative to withdraw consent for disclosure of a child's records at any time without consequence.

The written notice shall be provided as part of the written notice required by Code of Federal Regulations, title 34, section 300.504 or 303.520. The district must ensure that the parent of a child with a disability is given notice, in understandable language, of federal and state procedural safeguards available to the parent under this paragraph and paragraph (b).

(d) In order to access the private health care coverage of a child who is covered by private health care coverage in whole or in part, a district must:

(1) obtain annual written informed consent from the parent or legal representative, in compliance with subdivision 5; and

(2) inform the parent or legal representative that a refusal to permit the district or state Medicaid agency to access their private health care coverage does not relieve the district of its responsibility to provide all services necessary to provide free and appropriate public education at no cost to the parent or legal representative.

(e) If the commissioner of human services obtains federal approval to exempt covered individualized education program or individualized family service plan health-related services from the requirement that private health care coverage refuse payment before medical assistance may be billed, paragraphs (b), (c), and (d) shall also apply to students with a combination of private health care coverage and health care coverage through medical assistance or MinnesotaCare.

(f) In the event that Congress or any federal agency or the Minnesota legislature or any state agency establishes lifetime limits, limits for any health care services, cost-sharing provisions, or otherwise provides that individualized education program or individualized family service plan health-related services impact benefits for persons enrolled in medical assistance or MinnesotaCare, the amendments to this subdivision adopted in 2002 are repealed on the effective date of any federal or state law or regulation that imposes the limits. In that event, districts must obtain informed consent consistent with this subdivision as it existed prior to the 2002 amendments and subdivision 5, before seeking reimbursement for children enrolled in medical assistance under chapter 256B or MinnesotaCare under chapter 256L who have no other health care coverage.

**Subd. 3. Use of reimbursements.** Of the reimbursements received, districts may:

(1) retain an amount sufficient to compensate the district for its administrative costs of obtaining reimbursements;

(2) regularly obtain from education- and health-related entities training and other appropriate technical assistance designed to improve the district's ability to access third-party payments for individualized education program or individualized family service plan health-related services; or

(3) reallocate reimbursements for the benefit of students with individualized education programs or ~~individual~~ individualized family service plans in the district.

**Subd. 4. Parents not obligated to use health coverage.** To the extent required by federal law, a school district may not require parents of children with disabilities, if they would incur a financial cost, to use private or public health coverage to pay for the services that must be provided under an individualized education program or individualized family service plan.

**Subd. 5. Informed consent.** When obtaining informed consent, consistent with sections 13.05, subdivision 4a; 256B.77, subdivision 2, paragraph (p); and Code of Federal Regulations, title 34, parts 99 ~~and~~, 300, and 303, to bill health plans for covered services, the school district must notify the legal representative (1) that the cost of the person's private health insurance premium may increase due to providing the covered service in the school setting, (2) that the school district may pay certain enrollee health plan costs, including but not limited to, co-payments, coinsurance, deductibles, premium increases or other enrollee cost-sharing amounts for health and related services required by an individual service plan, or ~~individual~~ individualized family service plan, and (3) that the school's billing for each type of covered service may affect service limits and prior authorization thresholds. The informed consent may be revoked in writing at any time by the person authorizing the billing of the health plan.

**Subd. 6. District obligation to provide service.** To the extent required by federal law, no school district may deny, withhold, or delay any service that must be provided under an individualized education program or individualized family service plan because a family has refused to provide informed consent to bill a health plan for services or a health plan company has refused to pay any, all, or a portion of the cost of services billed.

Subd. 7. **District disclosure of information.** A school district may disclose information contained in a student's individualized education program, consistent with section 13.32, subdivision 3, paragraph (a), and Code of Federal Regulations, title 34, parts 99 ~~and~~, 300, and 303; including records of the student's diagnosis and treatment, to a health plan company only with the signed and dated consent of the student's parent, or other legally authorized individual. The school district shall disclose only that information necessary for the health plan company to decide matters of coverage and payment. A health plan company may use the information only for making decisions regarding coverage and payment, and for any other use permitted by law.

Sec. 12. Minnesota Statutes 2014, section 125A.28, is amended to read:

#### **125A.28 STATE INTERAGENCY COORDINATING COUNCIL.**

An Interagency Coordinating Council of at least 17, but not more than 25 members is established, in compliance with Public Law 108-446, section 641. The members must be appointed by the governor and reasonably represent the population of Minnesota. Council members must elect the council chair, who may not be a representative of the Department of Education. The council must be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, local Head Start director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, a representative from the state agency responsible for child care, foster care, mental health, homeless coordinator of education of homeless children and youth, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 4, apply to the council. The council must meet at least quarterly.

The council must address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

~~On the date that Minnesota Part C Annual Performance Report is submitted to~~ Within 30 days of receiving the annual determination from the federal Office of Special Education on the Minnesota Part C Annual Performance Report, the council must recommend to the governor and the commissioners of education, health, human services, commerce, and employment and economic development policies for a comprehensive and coordinated system.

Annually, the council must prepare and submit a report to the governor and the secretary of the federal Department of Education on the status of early intervention services and programs for infants and toddlers with disabilities and their families under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part C, Public Law 102-119), as operated in Minnesota. The Minnesota Part C annual performance report may serve as the report.

Notwithstanding any other law to the contrary, the State Interagency Coordinating Council does not expire unless federal law no longer requires the existence of the council or committee.

Sec. 13. Minnesota Statutes 2014, section 125A.63, subdivision 2, is amended to read:

Subd. 2. **Programs.** (a) The ~~resource centers~~ department must offer summer institutes or other training programs throughout the state for deaf or hard-of-hearing, blind or visually impaired, and multiply disabled pupils. The ~~resource centers~~ department must also offer workshops for teachers, and leadership development for teachers.

~~A program~~ (b) Training and workshop programs offered ~~through the resource centers~~ under paragraph (a) must help promote and develop education programs offered by school districts or other organizations. The ~~program~~ programs must assist school districts or other organizations to develop innovative programs.

Sec. 14. Minnesota Statutes 2014, section 125A.63, subdivision 3, is amended to read:

Subd. 3. **Programs by nonprofits.** The ~~resource centers~~ department may contract to have nonprofit organizations provide programs ~~through the resource centers~~ under subdivision 2.

Sec. 15. Minnesota Statutes 2014, section 125A.63, subdivision 4, is amended to read:

Subd. 4. **Advisory committees.** (a) The commissioner shall establish ~~an advisory committee~~ committees for ~~each resource center~~ the deaf and hard-of-hearing and for the blind and visually impaired. The advisory committees shall develop recommendations ~~regarding the resource centers~~ and submit an annual report to the commissioner on the form and in the manner prescribed by the commissioner.

(b) The advisory ~~committee for the Resource Center~~ committees for the deaf and hard of hearing and for the blind and visually impaired shall meet periodically at least four times per year and each submit an annual report to the commissioner, the education policy and finance committees of the legislature, and the Commission of Deaf, DeafBlind, and ~~Hard-of-Hearing~~ Hard-of-Hearing Minnesotans. The ~~report~~ reports must, at least:

(1) identify and report the aggregate, data-based education outcomes for children with the primary disability classification of deaf and hard of hearing or of blind and visually impaired, consistent with the commissioner's child count reporting practices, the commissioner's state and local outcome data reporting system by district and region, and the school performance report cards under section 120B.36, subdivision 1; and

(2) describe the implementation of a data-based plan for improving the education outcomes of deaf and hard of hearing or blind and visually impaired children that is premised on evidence-based best practices, and provide a cost estimate for ongoing implementation of the plan.

Sec. 16. Minnesota Statutes 2014, section 125A.63, subdivision 5, is amended to read:

Subd. 5. **Statewide hearing loss early education intervention coordinator.** (a) The coordinator shall:

(1) collaborate with the early hearing detection and intervention coordinator for the Department of Health, ~~the director of the Department of Education Resource Center for Deaf and Hard of Hearing~~ K-12 deaf and hard-of-hearing coordinator, and the Department of Health Early Hearing Detection and Intervention Advisory Council;

(2) coordinate and support Department of Education early hearing detection and intervention teams;

(3) leverage resources by serving as a liaison between interagency early intervention committees; part C coordinators from the Departments of Education, Health, and Human Services; Department of Education regional low-incidence facilitators; service coordinators from school districts; Minnesota children with special health needs in the Department of Health; public health nurses; child find; Department of Human Services Deaf and Hard-of-Hearing Services Division; and others as appropriate;

(4) identify, support, and promote culturally appropriate and evidence-based early intervention practices for infants with hearing loss, and provide training, outreach, and use of technology to increase consistency in statewide service provision;

(5) identify culturally appropriate specialized reliable and valid instruments to assess and track the progress of children with hearing loss and promote their use;

(6) ensure that early childhood providers, parents, and members of the individual family service and intervention plan are provided with child progress data resulting from specialized assessments;

(7) educate early childhood providers and teachers of the deaf and hard-of-hearing to use developmental data from specialized assessments to plan and adjust individual family service plans; and

(8) make recommendations that would improve educational outcomes to the early hearing detection and intervention committee, the commissioners of education and health, the Commission of Deaf, DeafBlind and Hard-of-Hearing Minnesotans, and the advisory council of the Minnesota Department of Education Resource Center for the deaf and hard-of-hearing.

(b) The Department of Education must provide aggregate data regarding outcomes of deaf and hard-of-hearing children who receive early intervention services within the state in accordance with the state performance plan.

#### Sec. 17. **SPECIAL EDUCATION EVALUATION.**

**Subdivision 1. Special education teachers' compliance with legal requirements.** The Department of Education must identify ways to give teachers working with eligible children with disabilities sufficient written and online resources to make informed decisions about how to effectively comply with legal requirements related to providing special education programs and services, including writing individualized education programs and related documents, among other requirements. The department must work collaboratively with teachers working with eligible children with disabilities, other school and district staff, and representatives of affected organizations, including Education Minnesota, Minnesota School Boards Association, and Minnesota Administrators of Special Education, among others, to identify obstacles to and solutions for teachers' confusion about complying with legal requirements governing special education programs and services. The department must work with schools and districts to provide staff development training to better comply with applicable legal requirements while meeting the educational needs and improving the educational progress of eligible children with disabilities.

**Subd. 2. Efficiencies to reduce paperwork.** The Department of Education, in collaboration with teachers and administrators working with eligible children with disabilities in schools and districts, must identify strategies to effectively decrease the amount of time teachers spend completing paperwork for special education programs and services, evaluate whether the strategies are cost-effective, and determine whether other schools and districts are able to effectively use the strategies given available staff and resources. Where an evaluation shows that particular paperwork reduction strategies are cost-effective without undermining the purpose of the paperwork or the integrity of special education requirements, the department must electronically disseminate and promote the strategies to other schools and districts throughout the state.

Subd. 3. **Special education forms; reading level.** The Department of Education must determine the current reading level of its special education forms, establish a target reading level for such forms, and, based on that target level, determine whether alternative forms are needed to accommodate the lexical and sublexical cognitive processes of individual form users and readers. The department must work with interested special education stakeholders and reading experts in making the determinations and identification required in this subdivision.

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

**Sec. 18. TRAINING AND TECHNICAL ASSISTANCE TO REDUCE DISTRICT USE OF SECLUSION AND RESTRAINT; APPROPRIATION.**

\$750,000 in fiscal year 2016 is appropriated from the general fund to the commissioner of education for providing school districts with training and technical assistance to reduce district use of seclusion and restraint on students with complex needs. Of this appropriation, \$500,000 is available to the commissioner to reimburse school districts for the cost of hiring experts to provide staff training in reducing district use of seclusion and restraint on students with complex needs. Of this appropriation, \$250,000 is available to the commissioner for the costs of providing specialized training and assistance to school districts with a high use of seclusion and restraint on students with complex needs. The commissioner may contract with experts from intermediate school districts teams or level four programs to provide the specialized training and technical assistance. Any funds unexpended in fiscal year 2016 do not cancel but carry forward into the next fiscal year.

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

**Sec. 19. REPEALER.**

Minnesota Statutes 2014, section 125A.63, subdivision 1, is repealed.

ARTICLE 6  
CHARTER SCHOOLS

Section 1. Minnesota Statutes 2014, section 124D.10, subdivision 1, is amended to read:

Subdivision 1. **Purposes.** (a) The primary purpose of this section is to improve all pupil learning and all student achievement. Additional purposes include to:

- (1) increase learning opportunities for all pupils;
- (2) encourage the use of different and innovative teaching methods;
- (3) measure learning outcomes and create different and innovative forms of measuring outcomes;
- (4) establish new forms of accountability for schools; or

(5) create new professional opportunities for teachers, including the opportunity to be responsible for the learning program at the school site.

(b) This section does not provide a means to keep open a school that a school board decides to close. However, a school board may endorse or authorize the establishing of a charter school to replace the school the board decided to close. Applicants seeking a charter under this circumstance must demonstrate to the authorizer that the charter sought is substantially different in purpose and program from the school the board closed and that the proposed charter satisfies the requirements of this subdivision. If the school board that closed the school authorizes the charter, it must document in its affidavit to the commissioner that the charter is substantially different in program and purpose from the school it closed.

(c) An authorizer shall not approve an application submitted by a charter school developer under subdivision 4, paragraph (a), if the application does not comply with this subdivision. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4, paragraph (b), if the affidavit does not comply with this subdivision.

Sec. 2. Minnesota Statutes 2014, section 124D.10, subdivision 3, is amended to read:

Subd. 3. **Authorizer.** (a) For purposes of this section, the terms defined in this subdivision have the meanings given them.

"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under paragraph ~~(e)~~ (d) before that authorizer is able to submit any affidavit to charter to a school.

"Application" under subdivision 4 means the charter school business plan a school developer submits to an authorizer for approval to establish a charter school that documents the school developer's mission statement, school purposes, program design, financial plan, governance and management structure, and background and experience, plus any other information the authorizer requests. The application also shall include a "statement of assurances" of legal compliance prescribed by the commissioner.

"Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under subdivision 4 attesting to its review and approval process before chartering a school.

(b) The following organizations may authorize one or more charter schools:

(1) a school board, intermediate school district school board, or education district organized under sections 123A.15 to 123A.19;

(2) a charitable organization under section 501(c)(3) of the Internal Revenue Code of 1986, excluding a nonpublic sectarian or religious institution; any person other than a natural person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with the nonpublic sectarian or religious institution; and any other charitable organization under this clause that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose, that:

(i) is a member of the Minnesota Council of Nonprofits or the Minnesota Council on Foundations;

(ii) is registered with the attorney general's office; and

(iii) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school;

(3) a Minnesota private college, notwithstanding clause (2), that grants two- or four-year degrees and is registered with the Minnesota Office of Higher Education under chapter 136A; community college, state university, or technical college governed by the Board of Trustees of the Minnesota State Colleges and Universities; or the University of Minnesota;

(4) a nonprofit corporation subject to chapter 317A, described in section 317A.905, and exempt from federal income tax under section 501(c)(6) of the Internal Revenue Code of 1986, may authorize one or more charter schools if the charter school has operated for at least three years under a different authorizer and if the nonprofit corporation has existed for at least 25 years; or

(5) single-purpose authorizers formed as charitable, nonsectarian organizations under section 501(c)(3) of the Internal Revenue Code of 1986 and incorporated in the state of Minnesota under chapter 317A as a corporation with no members or under section 322B.975 as a nonprofit limited liability company for the sole purpose of chartering schools.

(c) Eligible organizations interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of paragraph ~~(e)~~ (d) and a five-year financial plan. Such authorizers shall consider and approve charter school applications using the criteria provided in subdivision 4 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

~~(e)~~ (d) An eligible authorizer under this subdivision must apply to the commissioner for approval as an authorizer before submitting any affidavit to the commissioner to charter a school. The application for approval as a charter school authorizer must demonstrate the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this section. The commissioner must approve or disapprove an application within 45 business days of the application deadline. If the commissioner disapproves the application, the commissioner must notify the applicant of the specific deficiencies in writing and the applicant then has 20 business days to address the deficiencies to the commissioner's satisfaction. After the 20 business days expire, the commissioner has 15 business days to make a final decision to approve or disapprove the application. Failing to address the deficiencies to the commissioner's satisfaction makes an applicant ineligible to be an authorizer. The commissioner, in establishing criteria for approval, must consider the applicant's:

- (1) capacity and infrastructure;
- (2) application criteria and process;
- (3) contracting process;
- (4) ongoing oversight and evaluation processes; and
- (5) renewal criteria and processes.

~~(d)~~ (e) An applicant must include in its application to the commissioner to be an approved authorizer at least the following:

- (1) how chartering schools is a way for the organization to carry out its mission;
- (2) a description of the capacity of the organization to serve as an authorizer, including the personnel who will perform the authorizing duties, their qualifications, the amount of time they will be assigned to this responsibility, and the financial resources allocated by the organization to this responsibility;
- (3) a description of the application and review process the authorizer will use to make decisions regarding the granting of charters;
- (4) a description of the type of contract it will arrange with the schools it charters that meets the provisions of subdivision 6;
- (5) the process to be used for providing ongoing oversight of the school consistent with the contract expectations specified in clause (4) that assures that the schools chartered are complying with both the provisions of applicable law and rules, and with the contract;

(6) a description of the criteria and process the authorizer will use to grant expanded applications under subdivision 4, paragraph ~~(j)~~ (s);

(7) the process for making decisions regarding the renewal or termination of the school's charter based on evidence that demonstrates 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.

~~(e)~~ (f) A disapproved applicant under this section may resubmit an application during a future application period.

~~(f)~~ (g) If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under subdivision 23, the authorizer must notify all its chartered schools and the commissioner in writing by July 15 of its intent to withdraw as an authorizer on June 30 in the next calendar year, regardless of when the authorizer's five-year term of approval ends. The commissioner may approve the transfer of a charter school to a new authorizer under this paragraph after the new authorizer submits an affidavit to the commissioner.

~~(g)~~ (h) The authorizer must participate in department-approved training.

~~(h)~~ (i) The commissioner shall review an authorizer's performance every five years in a manner and form determined by the commissioner and may review an authorizer's performance more frequently at the commissioner's own initiative or at the request of a charter school operator, charter school board member, or other interested party. The commissioner, after completing the review, shall transmit a report with findings to the authorizer.

(j) If, consistent with this section, the commissioner finds that an authorizer has not fulfilled the requirements of this section, the commissioner may subject the authorizer to corrective action, which may include terminating the contract with the charter school board of directors of a school it chartered. The commissioner must notify the authorizer in writing of any findings that may subject the authorizer to corrective action and the authorizer then has 15 business days to request an informal hearing before the commissioner takes corrective action. If the commissioner terminates a contract between an authorizer and a charter school under this paragraph, the commissioner may assist the charter school in acquiring a new authorizer.

~~(i)~~ (k) The commissioner may at any time take corrective action against an authorizer, including terminating an authorizer's ability to charter a school for:

(1) failing to demonstrate the criteria under paragraph ~~(e)~~ (d) under which the commissioner approved the authorizer;

(2) violating a term of the chartering contract between the authorizer and the charter school board of directors;

(3) unsatisfactory performance as an approved authorizer; or

(4) any good cause shown that provides the commissioner a legally sufficient reason to take corrective action against an authorizer.

Sec. 3. Minnesota Statutes 2014, section 124D.10, subdivision 4, is amended to read:

Subd. 4. **Formation of school.** (a) An authorizer, after receiving an application from a school developer, may charter a licensed teacher under section 122A.18, subdivision 1, or a group of individuals that includes one or more licensed teachers under section 122A.18, subdivision 1, to operate a school subject to the commissioner's approval of the authorizer's affidavit under paragraph ~~(b)~~ (d).

~~(b)~~ (b) The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions under the applicable chapter shall apply to the school except as provided in this section.

~~(c)~~ (c) Notwithstanding sections 465.717 and 465.719, a school district, subject to this section and section 124D.11, may create a corporation for the purpose of establishing a charter school.

~~(d)~~ (d) Before the operators may establish and operate a school, the authorizer must file an affidavit with the commissioner stating its intent to charter a school. An authorizer must file a separate affidavit for each school it intends to charter. An authorizer must file an affidavit ~~by May 1 to be able to charter a new school in the next school year after the commissioner approves the authorizer's affidavit~~ at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state the terms and conditions under which the authorizer would charter a school and how the authorizer intends to oversee the fiscal and student performance of the charter school and to comply with the terms of the written contract between the authorizer and the charter school board of directors under subdivision 6. The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of receipt of the affidavit. If the commissioner disapproves the affidavit, the commissioner shall notify the authorizer of the deficiencies in the affidavit and the authorizer then has 20 business days to address the deficiencies. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. If the authorizer does not address deficiencies to the commissioner's satisfaction, the commissioner's disapproval is final. Failure to obtain commissioner approval precludes an authorizer from chartering the school that is the subject of this affidavit.

~~(e)~~ (e) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this section or does not meet the ready-to-open standards that are part of the authorizer's oversight and evaluation process or are stipulated in the charter school contract.

~~(f)~~ (f) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must incorporate as a nonprofit corporation under chapter 317A ~~and~~.

(g) The operators authorized to organize and operate a school, before entering into a contract or other agreement for professional or other services, goods, or facilities, must establish a board of directors composed of at least five members who are not related parties until a timely election for members of the ongoing charter school board of directors is held according to the school's articles and bylaws under paragraph ~~(f)~~ (l). A charter school board of directors must be composed of at least five members who are not related parties.

(h) Staff members employed at the school, including teachers providing instruction under a contract with a cooperative, members of the board of directors, and all parents or legal guardians of children enrolled in the school are the voters eligible to elect the members of the school's board of directors. A charter school must notify eligible voters of the school board election dates at least 30 days before the election.

(i) Board of director meetings must comply with chapter 13D.

~~(e)~~ (j) A charter school shall publish and maintain on the school's official Web site: (1) the minutes of meetings of the board of directors, and of members and committees having any board-delegated authority, for at least one calendar year from the date of publication; (2) directory information for members of the board of directors and committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer. Identifying and contact information for the school's authorizer must be included in other school materials made available to the public.

(k) Upon request of an individual, the charter school must also make available in a timely fashion financial statements showing all operations and transactions affecting income, surplus, and deficit during the school's last annual accounting period; and a balance sheet summarizing assets and liabilities on the closing date of the accounting period. A charter school also must include that same information about its authorizer in other school materials that it makes available to the public.

~~(j)~~ (l) Every charter school board member shall attend annual training throughout the member's term on the board. 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 of being seated on the board is automatically ineligible to continue to serve as a board member. The school shall include in its annual report the training attended by each board member during the previous year.

~~(g)~~ (m) The ongoing board must be elected before the school completes its third year of operation. Board elections must be held during the school year but may not be conducted on days when the school is closed for holidays, breaks, or vacations.

(n) The charter school board of directors shall be composed of at least five nonrelated members and include: (i) at least one licensed teacher employed as a teacher at the school or providing instruction under contract between the charter school and a cooperative; (ii) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (iii) at least one interested community member who resides in Minnesota and is not employed by the charter school and does not have a child enrolled in the school. The board may include a majority of teachers described in this paragraph or parents or community members, or it may have no clear majority. The chief financial officer and the chief administrator may only serve as ex-officio nonvoting board members. No charter school employees shall serve on the board other than teachers under item (i). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

(o) Board bylaws shall outline the process and procedures for changing the board's governance structure, consistent with chapter 317A. A board may change its governance structure only:

(1) by a majority vote of the board of directors and a majority vote of the licensed teachers employed by the school as teachers, including licensed teachers providing instruction under a contract between the school and a cooperative; and

(2) with the authorizer's approval.

Any change in board governance structure must conform with the composition of the board established under this paragraph.

~~(h)~~ (p) The granting or renewal of a charter by an authorizer must not be conditioned upon the bargaining unit status of the employees of the school.

~~(i)~~ (q) The granting or renewal of a charter school by an authorizer must not be contingent on the charter school being required to contract, lease, or purchase services from the authorizer.

(r) Any potential contract, lease, or purchase of service from an authorizer must be disclosed to the commissioner, accepted through an open bidding process, and be a separate contract from the charter contract. The school must document the open bidding process. An authorizer must not enter into a contract to provide management and financial services for a school that it authorizes, unless the school documents that it received at least two competitive bids.

(+) (s) A charter school may apply to the authorizer to amend the school charter to expand the operation of the school to additional grades or sites that would be students' primary enrollment site beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a supplementary affidavit in the form and manner prescribed by the commissioner. The authorizer must file a supplement affidavit by October 1 to be eligible to expand in the next school year. The supplementary affidavit must document that the school has demonstrated to the satisfaction of the authorizer the following:

(1) the need for the expansion with supporting long-range enrollment projections;

(2) a longitudinal record of demonstrated student academic performance and growth on statewide assessments under chapter 120B or on other academic assessments that measure longitudinal student performance and growth approved by the charter school's board of directors and agreed upon with the authorizer;

(3) a history of sound school finances and a finance plan to implement the expansion in a manner to promote the school's financial sustainability; and

(4) board capacity and an administrative and management plan to implement its expansion.

(+) (t) The commissioner shall have 30 business days to review and comment on the supplemental affidavit. The commissioner shall notify the authorizer in writing of any deficiencies in the supplemental affidavit and the authorizer then has 20 business days to address, to the commissioner's satisfaction, any deficiencies in the supplemental affidavit. The commissioner must notify the authorizer of final approval or disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not expand grades or add sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Sec. 4. Minnesota Statutes 2014, section 124D.10, subdivision 8, is amended to read:

Subd. 8. **Federal, state, and local requirements.** (a) A charter school shall meet all federal, state, and local health and safety requirements applicable to school districts.

(b) A school must comply with statewide accountability requirements governing standards and assessments in chapter 120B.

(c) A school authorized by a school board may be located in any district, unless the school board of the district of the proposed location disapproves by written resolution.

(d) A charter school must be nonsectarian in its programs, admission policies, employment practices, and all other operations. An authorizer may not authorize a charter school or program that is affiliated with a nonpublic sectarian school or a religious institution.

(e) A charter school student must be released for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

(+) (f) Charter schools must not be used as a method of providing education or generating revenue for students who are being home-schooled. This paragraph does not apply to shared time aid under section 126C.19.

(+) (g) The primary focus of a charter school must be to provide a comprehensive program of instruction for at least one grade or age group from five through 18 years of age. Instruction may be provided to people older than 18 years of age. A charter school may offer a free or fee-based preschool or prekindergarten that meets high-quality early learning instructional program standards that are aligned with Minnesota's early learning standards for

children. Students enrolled in a fee-based prekindergarten program are not eligible to be counted as pupil units under section 126C.05 and must not be included in the calculation of general education revenue under section 126C.10. 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).

~~(g)~~ (h) Except as provided in paragraph (g), a charter school may not charge tuition.

~~(h)~~ (i) A charter school is subject to and must comply with chapter 363A and section 121A.04.

~~(i)~~ (j) Once a student is enrolled in the school, the student is considered enrolled in the school until the student formally withdraws or is expelled under the Pupil Fair Dismissal Act in sections 121A.40 to 121A.56. A charter school is subject to and must comply with the Pupil Fair Dismissal Act, sections 121A.40 to 121A.56, ~~and~~.

(k) A charter school is subject to and must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

~~(j)~~ (l) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under subdivision 6a. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65. A charter school is subject to and must comply with sections 15.054; 118A.01; 118A.02; 118A.03; 118A.04; 118A.05; 118A.06; 471.38; 471.391; 471.392; and 471.425. The audit must comply with the requirements of sections 123B.75 to 123B.83, except to the extent deviations are necessary because of the program at the school. Deviations must be approved by the commissioner and authorizer. The Department of Education, state auditor, legislative auditor, or authorizer may conduct financial, program, or compliance audits. A charter school determined to be in statutory operating debt under sections 123B.81 to 123B.83 must submit a plan under section 123B.81, subdivision 4.

~~(k)~~ (m) A charter school is a district for the purposes of tort liability under chapter 466.

~~(l)~~ (n) A charter school must comply with chapters 13 and 13D; and sections 120A.22, subdivision 7; 121A.75; and 260B.171, subdivisions 3 and 5.

~~(m)~~ (o) A charter school is subject to the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

~~(n)~~ (p) A charter school offering online courses or programs must comply with section 124D.095.

~~(o)~~ (q) A charter school and charter school board of directors are subject to chapter 181.

~~(p)~~ (r) 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.

~~(q)~~ (s) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19.

~~(r)~~ (t) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38.

~~(s)~~ (u) A charter school is subject to and must comply with continuing truant notification under section 260A.03.

(+) (v) A charter school must develop and implement a teacher evaluation and peer review process under section 122A.40, subdivision 8, paragraph (b), clauses (2) to (13). The teacher evaluation process in this paragraph does not create any additional employment rights for teachers.

(+) (w) A charter school must adopt a policy, plan, budget, and process, consistent with section 120B.11, to review curriculum, instruction, and student achievement and strive for the world's best workforce.

(+) (x) A charter school must comply with section 121A.031 governing policies on prohibited conduct.

(+) (y) A charter school must comply with all pupil transportation requirements in section 123B.88, subdivision 1. A charter school must not require parents to surrender their rights to pupil transportation under section 123B.88, subdivision 2.

Sec. 5. Minnesota Statutes 2014, section 124D.10, subdivision 9, is amended to read:

Subd. 9. **Admission requirements.** (a) A charter school 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.

(b) A charter school shall 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.

(c) A charter school shall 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 and children who are eligible to receive a free or reduced-price lunch before accepting other pupils by lot. A charter school that gives preference to enrolling the children of school staff or children who are eligible to receive a free or reduced-price lunch must identify in its admission and lottery policy and on its Web site the manner and order of preference for enrolling the children and give at least 180 days' notice on its Web site before discontinuing the enrollment preference. A charter school may give enrollment preference to children who are eligible to receive a free or reduced-price lunch when the percent of enrolled charter school students who are eligible to receive a meal benefit is lower than either the statewide percent of students who are eligible to receive a meal benefit or the districtwide percent of students who are eligible to receive a meal benefit in the district in which the charter school is located. A charter school must ask on its enrollment application whether the student is eligible for and interested in the enrollment preference. A charter school may send an application for educational benefits form to the household of an interested student and ask on the application form whether the household wants its student considered for the enrollment preference. Charter schools must use the department's direct certification and approval process for determining students' eligibility for meal benefits. Once established, this enrollment preference continues unless and until a majority of the members of the charter school board of directors votes to discontinue the enrollment preference. A charter school that is located in Duluth township in St. Louis 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 If a charter school has a preschool or prekindergarten program under subdivision 8, paragraph (g), that is free to all participants, the charter school may give enrollment preference to children currently enrolled in the school's free preschool or prekindergarten program under subdivision 8, paragraph (f), who are eligible to enroll in kindergarten in the next school year.~~

(d) A person shall 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).

(e) Except as permitted in paragraph (d), a charter school 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 subdivision.

(f) The charter school shall not distribute any services or goods of value to students, parents, or guardians as an inducement, term, or condition of enrolling a student in a charter school.

**EFFECTIVE DATE.** This section is effective for the 2015-2016 school year and later.

Sec. 6. Minnesota Statutes 2014, section 124D.10, subdivision 12, is amended to read:

Subd. 12. **Pupils with a disability.** A charter school must comply with sections 125A.02, 125A.03 to 125A.24, ~~and 125A.65, and 125A.75~~ and rules relating to the education of pupils with a disability as though it were a district. A charter school enrolling prekindergarten pupils with a disability under subdivision 8, paragraph (g), must comply with sections 125A.259 to 125A.48 and rules relating to the Interagency Early Intervention System as though it were a school district.

**EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

Sec. 7. Minnesota Statutes 2014, section 124D.10, subdivision 14, is amended to read:

Subd. 14. **Annual public reports.** (a) A charter school must publish an annual report approved by the board of directors. The annual report must at least include information on school enrollment, student attrition, governance and management, staffing, finances, academic performance, innovative practices and implementation, and future plans. A charter school may combine this report with the reporting required under section 120B.11. A charter school must post the annual report on the school's official Web site. A charter school must also distribute the annual report by publication, mail, or electronic means to its authorizer, school employees, and parents and legal guardians of students enrolled in the charter school. The reports are public data under chapter 13.

(b) The commissioner shall establish specifications for an authorizer's annual public report that is part of the system to evaluate authorizer performance under subdivision 3, paragraph (h). The report shall at least include key indicators of school academic, operational, and financial performance.

Sec. 8. Minnesota Statutes 2014, section 124D.10, subdivision 23, is amended to read:

Subd. 23. **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 6. 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 notify the board of directors of the charter school of the proposed action in writing. The notice shall state the grounds for the proposed action in reasonable detail and that the charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days of 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 give ten business days' notice to the charter school's board of directors of the hearing date. The authorizer shall conduct an informal hearing before taking final action. The authorizer shall 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) A contract may be terminated or not renewed 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 a contract is terminated or not renewed under this paragraph, the school must be dissolved according to the applicable provisions of chapter 317A.

(c) If the authorizer and the charter school board of directors mutually agree not to renew the contract, a change in authorizers is allowed. The authorizer and the school board must jointly submit a written and signed letter of their intent to the commissioner to mutually not renew the contract. The authorizer that is a party to the existing contract must inform the proposed authorizer about the fiscal, operational, and student performance status of the school, as well as any outstanding contractual obligations that exist. The charter contract between the proposed authorizer and the school must identify and provide a plan to address any outstanding obligations from the previous contract. The proposed contract must be submitted at least 105 business days before the end of the existing charter contract. The commissioner shall have 30 business days to review and make a determination. The proposed authorizer and the school shall have 15 business days to respond to the determination and address any issues identified by the commissioner. A final determination by the commissioner shall be made no later than 45 business days before the end of the current charter contract. If no change in authorizer is approved, the school and the current authorizer may withdraw their letter of nonrenewal and enter into a new contract. If the transfer of authorizers is not approved and the current authorizer and the school do not withdraw their letter and enter into a new contract, the school must be dissolved according to applicable law and the terms of the contract.

(d) 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.

(e) Notwithstanding other provisions of this subdivision, the authorizer of a charter school may terminate an existing contract between the authorizer and the charter school at the end of the current school year, after notifying the charter school board of directors by December 1, if in each of the previous three consecutive school years the performance of the charter school based on federal school accountability measures and on state measures of student performance and growth would place the school in the bottom ten percent of all public schools as determined by the commissioner. If an authorizer chooses to terminate the contract, the school must be closed according to applicable

law and the terms of the contract. The authorizer must work with the charter school's board of directors to ensure parents of children currently enrolled at the school are aware of school choice options and receive assistance in selecting an appropriate choice for their children for the next school year. If the authorizer chooses not to terminate the existing contract under these conditions, the authorizer must submit a public, written justification of its decision to the commissioner by December 1. The federal and state measures identified in this paragraph do not prevent an authorizer from closing schools under other conditions, consistent with applicable law and contract terms.

Sec. 9. Minnesota Statutes 2014, section 124D.10, is amended by adding a subdivision to read:

Subd. 24a. **Merger.** (a) Two or more charter schools may merge under chapter 317A. The effective date of a merger must be July 1. The merged school must continue under the identity of one of the merging schools. A new charter contract under subdivision 6 must be executed by July 1. The authorizer must submit to the commissioner a copy of the new signed charter contract within ten business days of its execution.

(b) Each merging school must submit a separate year-end report for the previous year for that school only. After the final fiscal year of the premerger schools is closed out, the fund balances and debts from the merging schools must be transferred to the merged school.

(c) For its first year of operation, the merged school is eligible to receive aid from programs requiring approved applications equal to the sum of the aid of all of the merging schools. For aids based on prior year data, the merged school is eligible to receive aid for its first year of operation based on the combined data of all of the merging schools.

Sec. 10. Minnesota Statutes 2014, section 124D.11, subdivision 9, is amended to read:

**Subd. 9. Payment of aids to charter schools.** (a) Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is 90 or greater, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 24 payment dates. Notwithstanding section 127A.45, subdivision 3, if the current year aid payment percentage under section 127A.45, subdivision 2, paragraph (d), is less than 90, aid payments for the current fiscal year to a charter school shall be of an equal amount on each of the 16 payment dates in July through February.

(b) Notwithstanding paragraph (a) and section 127A.45, for a charter school ceasing operation on or prior to June 30 of a school year, for the payment periods occurring after the school ceases serving students, the commissioner shall withhold the estimated state aid owed the school. The charter school board of directors and authorizer must submit to the commissioner a closure plan under chapter 308A or 317A, and financial information about the school's liabilities and assets. After receiving the closure plan, financial information, an audit of pupil counts, documentation of lease expenditures, and monitoring of special education expenditures, the commissioner may release cash withheld and may continue regular payments up to the current year payment percentages if further amounts are owed. If, based on audits and monitoring, the school received state aid in excess of the amount owed, the commissioner shall retain aid withheld sufficient to eliminate the aid overpayment. For a charter school ceasing operations prior to, or at the end of, a school year, notwithstanding section 127A.45, subdivision 3, preliminary final payments may be made after receiving the closure plan, audit of pupil counts, monitoring of special education expenditures, documentation of lease expenditures, and school submission of Uniform Financial Accounting and Reporting Standards (UFARS) financial data for the final year of operation. Final payment may be made upon receipt of audited financial statements under section 123B.77, subdivision 3.

(c) If a charter school fails to comply with the commissioner's directive to return, for cause, federal or state funds administered by the department, the commissioner may withhold an amount of state aid sufficient to satisfy the directive.

(d) If, within the timeline under section 471.425, a charter school fails to pay the state of Minnesota, a school district, intermediate school district, or service cooperative after receiving an undisputed invoice for goods and services, the commissioner may withhold an amount of state aid sufficient to satisfy the claim and shall distribute the withheld aid to the interested state agency, school district, intermediate school district, or service cooperative. An interested state agency, school district, intermediate school district, or education cooperative shall notify the commissioner when a charter school fails to pay an undisputed invoice within 75 business days of when it received the original invoice.

~~(e)~~ Notwithstanding section 127A.45, subdivision 3, and paragraph (a), 80 percent of the start-up cost aid under subdivision 8 shall be paid within 45 days after the first day of student attendance for that school year.

~~(f)~~ (e) In order to receive state aid payments under this subdivision, a charter school in its first three years of operation must submit a school calendar in the form and manner requested by the department and a quarterly report to the Department of Education. The report must list each student by grade, show the student's start and end dates, if any, with the charter school, and for any student participating in a learning year program, the report must list the hours and times of learning year activities. The report must be submitted not more than two weeks after the end of the calendar quarter to the department. The department must develop a Web-based reporting form for charter schools to use when submitting enrollment reports. A charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the department in the form and manner requested by the department.

~~(g)~~ (f) Notwithstanding sections 317A.701 to 317A.791, upon closure of a charter school and satisfaction of creditors, cash and investment balances remaining shall be returned to the state.

~~(h)~~ (g) A charter school must have a valid, signed contract under section 124D.10, subdivision 6, on file at the Department of Education at least 15 days prior to the date of first payment of state aid for the fiscal year.

~~(i)~~ (h) State aid entitlements shall be computed for a charter school only for the portion of a school year for which it has a valid, signed contract under section 124D.10, subdivision 6.

Sec. 11. **REVISOR'S INSTRUCTION.**

The revisor of statutes shall renumber the provisions of Minnesota Statutes listed in column A to the references listed in column B. The revisor of statutes may alter the renumbering to incorporate statutory changes made during the 2015 regular legislative session. The revisor shall also make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the renumbering in this instruction and the relettering of paragraphs in sections 1 to 10.

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Column B

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124D.10, subd. 4, paragraph (p)  
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124D.10, subd. 4, paragraph (r)  
124D.10, subd. 4, paragraph (s)  
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ARTICLE 7  
GENERAL EDUCATION

Section 1. Minnesota Statutes 2014, section 126C.10, subdivision 13a, is amended to read:

Subd. 13a. **Operating capital levy.** To obtain operating capital revenue for fiscal year 2015 and later, a district may levy an amount not more than the product of its operating capital revenue for the fiscal year times the lesser of one or the ratio of its adjusted net tax capacity per adjusted ~~marginal cost~~ pupil unit to the operating capital equalizing factor. The operating capital equalizing factor equals \$14,500.

**EFFECTIVE DATE.** This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 2. Minnesota Statutes 2014, section 126C.13, subdivision 3a, is amended to read:

Subd. 3a. **Student achievement rate.** The commissioner must establish the student achievement rate by ~~July 1~~ September 30 of each year for levies payable in the following year. The student achievement rate must be a rate, rounded up to the nearest hundredth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The student achievement rate must be the rate that raises \$20,000,000 for fiscal year 2015 and later years. The student achievement rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the rate has been established.

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

Sec. 3. Minnesota Statutes 2014, section 126C.13, subdivision 4, is amended to read:

Subd. 4. **General education aid.** ~~(a) For fiscal years 2013 and 2014 only, a district's general education aid is the sum of the following amounts:~~

~~(1) general education revenue, excluding equity revenue, total operating capital revenue, alternative teacher compensation revenue, and transition revenue;~~

~~(2) operating capital aid under section 126C.10, subdivision 13b;~~

~~(3) equity aid under section 126C.10, subdivision 30;~~

~~(4) alternative teacher compensation aid under section 126C.10, subdivision 36;~~

~~(5) transition aid under section 126C.10, subdivision 33;~~

~~(6) shared time aid under section 126C.01, subdivision 7;~~

~~(7) referendum aid under section 126C.17, subdivisions 7 and 7a; and~~

~~(8) online learning aid according to section 124D.096.~~

~~(b) For fiscal year 2015 and later, a district's general education aid equals:~~

~~(1) general education revenue, excluding operating capital revenue, equity revenue, local optional revenue, and transition revenue, minus the student achievement levy, multiplied times the ratio of the actual amount of student achievement levy levied to the permitted student achievement levy; plus~~

- (2) operating capital aid under section 126C.10, subdivision 13b;
- ~~(2)~~ (3) equity aid under section 126C.10, subdivision 30; plus
- ~~(3)~~ (4) transition aid under section 126C.10, subdivision 33; plus
- ~~(4)~~ (5) shared time aid under section 126C.10, subdivision 7; plus
- ~~(5)~~ (6) referendum aid under section 126C.17, subdivisions 7 and 7a; plus
- ~~(6)~~ (7) online learning aid under section 124D.096; plus
- ~~(7)~~ (8) local optional aid according to section 126C.10, subdivision 2d, paragraph (d).

**EFFECTIVE DATE.** This section is effective for fiscal year 2015 and later.

Sec. 4. Minnesota Statutes 2014, section 126C.15, subdivision 1, is amended to read:

Subdivision 1. **Use of revenue.** The basic skills revenue under section 126C.10, subdivision 4, must be reserved and used to meet the educational needs of pupils who enroll under-prepared to learn and whose progress toward meeting state or local content or performance standards is below the level that is appropriate for learners of their age. Basic skills revenue may also be used for programs designed to prepare children and their families for entry into school whether the student first enrolls in kindergarten or first grade. Any of the following may be provided to meet these learners' needs:

- (1) direct instructional services under the assurance of mastery program according to section 124D.66;
- (2) remedial instruction in reading, language arts, mathematics, other content areas, or study skills to improve the achievement level of these learners;
- (3) additional teachers and teacher aides to provide more individualized instruction to these learners through individual tutoring, lower instructor-to-learner ratios, or team teaching;
- (4) a longer school day or week during the regular school year or through a summer program that may be offered directly by the site or under a performance-based contract with a community-based organization;
- (5) comprehensive and ongoing staff development consistent with district and site plans according to section 122A.60 and to implement plans under section 120B.12, subdivision 4a, for teachers, teacher aides, principals, and other personnel to improve their ability to identify the needs of these learners and provide appropriate remediation, intervention, accommodations, or modifications;
- (6) instructional materials, digital learning, and technology appropriate for meeting the individual needs of these learners;
- (7) programs to reduce truancy, encourage completion of high school, enhance self-concept, provide health services, provide nutrition services, provide a safe and secure learning environment, provide coordination for pupils receiving services from other governmental agencies, provide psychological services to determine the level of social, emotional, cognitive, and intellectual development, and provide counseling services, guidance services, and social work services;
- (8) bilingual programs, bicultural programs, and programs for English learners;

(9) all-day kindergarten;

(10) early education programs, parent-training programs, school readiness programs, kindergarten programs for four-year-olds, voluntary home visits under section 124D.13, subdivision 4, and other outreach efforts designed to prepare children for kindergarten;

(11) extended school day and extended school year programs; and

(12) substantial parent involvement in developing and implementing remedial education or intervention plans for a learner, including learning contracts between the school, the learner, and the parent that establish achievement goals and responsibilities of the learner and the learner's parent or guardian.

**EFFECTIVE DATE.** This section is effective for fiscal year 2016 and later.

Sec. 5. Minnesota Statutes 2014, section 126C.17, subdivision 1, is amended to read:

Subdivision 1. **Referendum allowance.** (a) A district's initial referendum allowance equals the result of the following calculations:

(1) multiply the referendum allowance the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 1, based on elections held before July 1, 2013, by the resident marginal cost pupil units the district would have counted for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05;

(2) add to the result of clause (1) the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013;

(3) divide the result of clause (2) by the district's adjusted pupil units for fiscal year 2015;

(4) add to the result of clause (3) any additional referendum allowance per adjusted pupil unit authorized by elections held between July 1, 2013, and December 31, 2013;

(5) add to the result in clause (4) any additional referendum allowance resulting from inflation adjustments approved by the voters prior to January 1, 2014;

(6) subtract from the result of clause (5), the sum of a district's actual local optional levy and local optional aid under section 126C.10, subdivision 2e, divided by the adjusted pupil units of the district for that school year; and

(7) if the result of clause (6) is less than zero, set the allowance to zero.

(b) A district's referendum allowance equals the sum of the district's initial referendum allowance, plus any new referendum allowance authorized between July 1, 2013, and December 31, 2013, under subdivision 9a, plus any additional referendum allowance per adjusted pupil unit authorized after December 31, 2013, minus any allowances expiring in fiscal year 2016 or later, provided that the allowance may not be less than zero. For a district with more than one referendum allowance for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, the allowance calculated under paragraph (a), clause (3), must be divided into components such that the same percentage of the district's allowance expires at the same time as the old allowances would have expired under Minnesota Statutes 2012, section 126C.17. For a district with more than one allowance for fiscal year 2015 that expires in the same year, the reduction under paragraph (a), clause (6), to offset local optional revenue shall be made first from any allowances that do not have an inflation adjustment approved by the voters.

**EFFECTIVE DATE.** This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 6. Minnesota Statutes 2014, section 126C.17, subdivision 2, is amended to read:

Subd. 2. **Referendum allowance limit.** (a) Notwithstanding subdivision 1, for fiscal year 2015 and later, a district's referendum allowance must not exceed the annual inflationary increase as calculated under paragraph (b) times the greatest of:

(1) \$1,845;

(2) the sum of the referendum revenue the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 4, based on elections held before July 1, 2013, and the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015;

(3) the product of the referendum allowance limit the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.17, subdivision 2, and the resident marginal cost pupil units the district would have received for fiscal year 2015 under Minnesota Statutes 2012, section 126C.05, subdivision 6, plus the adjustment the district would have received under Minnesota Statutes 2012, section 127A.47, subdivision 7, paragraphs (a), (b), and (c), based on elections held before July 1, 2013, divided by the district's adjusted pupil units for fiscal year 2015; minus \$424 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (a), minus \$212 for a district receiving local optional revenue under section 126C.10, subdivision 2d, paragraph (b); or

(4) for a newly reorganized district created after July 1, 2013, the referendum revenue authority for each reorganizing district in the year preceding reorganization divided by its adjusted pupil units for the year preceding reorganization.

(b) For purposes of this subdivision, for fiscal year 2016 and later, "inflationary increase" means one plus the percentage change in the Consumer Price Index for urban consumers, as prepared by the United States Bureau of Labor Standards, for the current fiscal year to fiscal year 2015. For fiscal year 2016 and later, for purposes of paragraph (a), clause (3), the inflationary increase equals one-fourth of the percentage increase in the formula allowance for that year compared with the formula allowance for fiscal year 2015.

**EFFECTIVE DATE.** This section is effective the day following final enactment for fiscal year 2015 and later.

Sec. 7. Minnesota Statutes 2014, section 126C.48, subdivision 8, is amended to read:

Subd. 8. **Taconite payment and other reductions.** (1) Reductions in levies pursuant to subdivision 1 must be made prior to the reductions in clause (2).

(2) Notwithstanding any other law to the contrary, districts that have revenue pursuant to sections 298.018; 298.225; 298.24 to 298.28, except an amount distributed under sections 298.26; 298.28, subdivision 4, paragraphs (c), clause (ii), and (d); 298.34 to 298.39; 298.391 to 298.396; 298.405; 477A.15; and any law imposing a tax upon severed mineral values must reduce the levies authorized by this chapter and chapters 120B, 122A, 123A, 123B, 124A, 124D, 125A, and 127A, excluding the student achievement levy under section 126C.13, subdivision 3b, by 95 percent of the sum of the previous year's revenue specified under this clause and the amount attributable to the same production year distributed to the cities and townships within the school district under section 298.28, subdivision 2, paragraph (c).

(3) The amount of any voter approved referendum, facilities down payment, and debt levies shall not be reduced by more than 50 percent under this subdivision, except that payments under section 298.28, subdivision 7a, may reduce the debt service levy by more than 50 percent. In administering this paragraph, the commissioner shall first

reduce the nonvoter approved levies of a district; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved referendum levies authorized under section 126C.17; then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved facilities down payment levies authorized under section 123B.63 and then, if any payments, severed mineral value tax revenue or recognized revenue under paragraph (2) remains, the commissioner shall reduce any voter approved debt levies.

(4) Before computing the reduction pursuant to this subdivision of the health and safety levy authorized by sections 123B.57 and 126C.40, subdivision 5, the commissioner shall ascertain from each affected school district the amount it proposes to levy under each section or subdivision. The reduction shall be computed on the basis of the amount so ascertained.

(5) To the extent the levy reduction calculated under paragraph (2) exceeds the limitation in paragraph (3), an amount equal to the excess must be distributed from the school district's distribution under sections 298.225, 298.28, and 477A.15 in the following year to the cities and townships within the school district in the proportion that their taxable net tax capacity within the school district bears to the taxable net tax capacity of the school district for property taxes payable in the year prior to distribution. No city or township shall receive a distribution greater than its levy for taxes payable in the year prior to distribution. The commissioner of revenue shall certify the distributions of cities and towns under this paragraph to the county auditor by September 30 of the year preceding distribution. The county auditor shall reduce the proposed and final levies of cities and towns receiving distributions by the amount of their distribution. Distributions to the cities and towns shall be made at the times provided under section 298.27.

Sec. 8. **REPEALER.**

Minnesota Statutes 2014, section 126C.41, subdivision 1, is repealed.

ARTICLE 8  
LIBRARIES, OTHER FACILITIES, AND TECHNOLOGY

Section 1. Minnesota Statutes 2014, section 125B.26, subdivision 2, is amended to read:

Subd. 2. **E-rates.** To be eligible for aid under this section, a district, charter school, or intermediate school district is required to file an e-rate application either separately or through its telecommunications access cluster ~~and have a current technology plan on file with the department.~~ Discounts received on telecommunications expenditures shall be reflected in the costs submitted to the department for aid under this section.

Sec. 2. Minnesota Statutes 2014, section 134.20, subdivision 2, is amended to read:

Subd. 2. **Library board and chief administrative officer.** (a) The agreement establishing a regional public library system shall provide for a library board to govern the organization having all the powers and duties of city and county library boards as provided in sections 134.11, 134.12, and 134.13 and including exclusive determination of all library services to be provided under terms of the agreement as defined in section 134.001, and exclusive control of the expenditure of all funds for the services. The regional library system board may consist of as many members as the contracting parties deem necessary, appointed in a number from among the residents of the contracting parties and for terms by each party to the contract as determined by the contracting parties, irrespective of the existence of one or more city and county library boards already in existence in the participating cities and counties. Not more than one member from each contracting party shall be a member of the governing body of a contracting party and no member may be appointed to serve more than three consecutive three-year terms. In the participating cities and counties, the portion of the proceeds of the city and county library tax authorized by section 134.07, shall be used to support the regional public library system as the contracting agreement may provide.

(b) The governing board of a regional public library system must employ a chief administrative officer who is compensated by no more than one regional library system.

Sec. 3. **EXAMINING AND DEVELOPING STATEWIDE SWIMMING RESOURCES.**

(a) The commissioner of education must inventory and report to the education committees of the legislature by February 1, 2016, on the extent of existing resources and best practices available for swimming instruction in Minnesota public schools.

(b) The commissioner of education must establish a work group of interested stakeholders, including the commissioner or commissioner's designee, the commissioner of health or the commissioner's designee, and representatives of K-12 physical education teachers, K-12 school administrators, nonprofit fitness and recreational organizations, public parks and recreation departments, and other stakeholders, including community members underserved and disproportionately impacted by the current distribution of swimming resources, interested in swimming instruction and activities identified by the commissioner of education, to determine and report to the education committees of the legislature by February 1, 2017, on the curriculum, resources, personnel, and other costs needed to make swimming instruction available in all Minnesota public schools. The work group must consider the substance of the report under paragraph (a) in preparing its report.

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

ARTICLE 9  
STATE AGENCIES

Section 1. Minnesota Statutes 2014, section 16A.103, subdivision 1c, is amended to read:

Subd. 1c. **Expenditure data.** (a) State agencies must submit any revisions in expenditure data the commissioner determines necessary for the forecast to the commissioner at least four weeks prior to the release of the forecast. The information submitted by state agencies and any modifications to that information made by the commissioner must be made available to legislative fiscal staff no later than three weeks prior to the release of the forecast.

(b) Notwithstanding paragraph (a), the Department of Education must submit any revisions in expenditure data to the commissioner at least three weeks before the release of the November forecast, and the commissioner must make E-12 expenditure data available to legislative fiscal staff no later than two weeks before the release of the November forecast.

Sec. 2. Minnesota Statutes 2014, section 123A.24, subdivision 1, is amended to read:

Subdivision 1. **Distribution of assets and liabilities.** (a) If a district withdraws from a cooperative unit defined in subdivision 2, the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(b) The withdrawing district remains responsible for its share of debt incurred by the cooperative unit according to section 123B.02, subdivision 3. The district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets and the assignment of liabilities.

(c) If the cooperative unit and the district cannot agree on the terms and conditions, the commissioner shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. If the dispute requires the commissioner to involve an administrative law judge, any fees due to the Office of Administrative Hearings must be equally split between the district and cooperative unit. The assets must be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(d) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (c).

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

Sec. 3. Minnesota Statutes 2014, section 123B.77, subdivision 3, is amended to read:

Subd. 3. **Statement for comparison and correction.** (a) By November ~~30~~ 15 of the calendar year of the submission of the unaudited financial data, the district must provide to the commissioner audited financial data for the preceding fiscal year. The audit must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, and the Minnesota legal compliance guide issued by the Office of the State Auditor. An audited financial statement prepared in a form which will allow comparison with and correction of material differences in the unaudited financial data shall be submitted to the commissioner and the state auditor by December ~~31~~ 15. The audited financial statement must also provide a statement of assurance pertaining to uniform financial accounting and reporting standards compliance and a copy of the management letter submitted to the district by the school district's auditor.

(b) By February ~~15~~ (1) of the calendar year following the submission of the unaudited financial data, the commissioner shall convert the audited financial data required by this subdivision into the consolidated financial statement format required under subdivision 1a and publish the information on the department's Web site.

Sec. 4. Minnesota Statutes 2014, section 124D.50, is amended by adding a subdivision to read:

Subd. 2a. **Service-learning specialist; service-learning work.** The commissioner shall create a service-learning specialist position in the department to advance evidence-based service learning, coordinate the service-learning grants program, and provide technical assistance to school districts, schools, and school programs and to their community-based partners or participants, such as nonprofit organizations, units of government, higher education institutions, businesses or business organizations, community leaders, or parents. The commissioner may provide or may contract for specialized expertise in school- and community-based service-learning best practices, professional development or training, service-learning research or evaluation, or development of service-learning learning communities or user group support.

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

Sec. 5. Minnesota Statutes 2014, section 125A.75, subdivision 9, is amended to read:

Subd. 9. **Litigation costs; annual report.** (a) By November 30 of each year, a school district must annually report the district's special education litigation costs, including attorney fees and costs of due process hearings, to the commissioner of education, consistent with the Uniform Financial Accounting and Reporting Standards.

(b) By ~~January 15~~ February 1 of each year, the commissioner shall report school district special education litigation costs to the house of representatives and the senate committees having jurisdiction over kindergarten through grade 12 education finance.

Sec. 6. Minnesota Statutes 2014, section 127A.05, subdivision 6, is amended to read:

Subd. 6. **Survey of districts.** The commissioner of education shall survey the state's school districts and teacher preparation programs and report to the education committees of the legislature by ~~January 15~~ February 1 of each odd-numbered year on the status of teacher early retirement patterns, the teacher shortage, and the substitute teacher shortage, including patterns and shortages in subject areas and regions of the state. The report must also include how districts are making progress in hiring teachers and substitutes in the areas of shortage and a five-year projection of teacher demand for each district.

Sec. 7. Minnesota Statutes 2014, section 127A.49, subdivision 1, is amended to read:

Subdivision 1. **Omissions.** No adjustments to any aid payments made pursuant to this chapter or chapters 120B, 122A, 123A, 123B, 124D, 125A, and 126C resulting from omissions in district reports, except those adjustments determined by the legislative auditor, shall be made for any school year after December ~~30~~ 15 of the next school year, unless otherwise specifically provided by law.

Sec. 8. Minnesota Statutes 2014, section 127A.70, subdivision 1, is amended to read:

Subdivision 1. **Establishment; membership.** (a) A P-20 education partnership is established to create a seamless system of education that maximizes achievements of all students, from early childhood through elementary, secondary, and postsecondary education, while promoting the efficient use of financial and human resources. The partnership shall consist of major statewide educational groups or constituencies or noneducational statewide organizations with a stated interest in P-20 education. The initial membership of the partnership includes the members serving on the Minnesota P-16 Education Partnership and four legislators appointed as follows:

(1) one senator from the majority party and one senator from the minority party, appointed by the Subcommittee on Committees of the Committee on Rules and Administration; and

(2) one member of the house of representatives appointed by the speaker of the house and one member appointed by the minority leader of the house of representatives.

(b) The chair of the P-16 education partnership must convene the first meeting of the P-20 partnership. Prospective members may be nominated by any partnership member and new members will be added with the approval of a two-thirds majority of the partnership. The partnership will also seek input from nonmember organizations whose expertise can help inform the partnership's work.

(c) Partnership members shall be represented by the chief executives, presidents, or other formally designated leaders of their respective organizations, or their designees. The partnership shall meet at least three times during each calendar year.

(d) The P-20 education partnership shall be the state council for the Interstate Compact on Educational Opportunity for Military Children under section 127A.85 with the ~~chair~~ commissioner or commissioner's designee serving as the compact commissioner responsible for the administration and management of the state's participation in the compact. When conducting business required under section 127A.85, the P-20 partnership shall include a representative from a military installation appointed by the adjutant general of the Minnesota National Guard.

Sec. 9. Laws 2014, chapter 312, article 16, section 15, is amended to read:

Sec. 15. **TEACHER DEVELOPMENT AND EVALUATION REVENUE.**

(a) For fiscal year 2015 only, teacher development and evaluation revenue for a school district, intermediate school district, educational cooperative, education district, or charter school with any school site that does not have an alternative professional pay system agreement under Minnesota Statutes, section 122A.414, subdivision 2, equals \$302 times the number of full-time equivalent teachers employed on October 1 of the previous school year in each school site without an alternative professional pay system under Minnesota Statutes, section 122A.414, subdivision 2. Except for charter schools, revenue under this section must be reserved for teacher development and evaluation activities consistent with Minnesota Statutes, section 122A.40, subdivision 8, or Minnesota Statutes, section 122A.41, subdivision 5. For the purposes of this section, "teacher" has the meaning given it in Minnesota Statutes, section 122A.40, subdivision 1, or Minnesota Statutes, section 122A.41, subdivision 1.

(b) Notwithstanding paragraph (a), the state total teacher development and evaluation revenue entitlement must not exceed \$10,000,000 for fiscal year 2015. The commissioner must limit the amount of revenue under this section so as not to exceed this limit.

**EFFECTIVE DATE.** This section is effective for fiscal year 2015."

Delete the title and insert:

"A bill for an act relating to education innovation; providing for education policy including educator preparation, licensure, and accountability, statewide standards and student assessments, educating students and young children, education programs, special education, charter schools, general education, libraries, other facilities, and technology, and state agencies; appropriating money; amending Minnesota Statutes 2014, sections 16A.103, subdivision 1c; 120A.41; 120B.02, subdivision 2; 120B.021, subdivision 4; 120B.022, subdivisions 1, 1a, 1b; 120B.024, subdivision 2; 120B.11, subdivision 1a; 120B.12, subdivision 4a; 120B.125; 120B.13, subdivision 4; 120B.30, subdivisions 1, 1a, 3; 120B.31, subdivision 4; 120B.36, subdivision 1; 122A.09, subdivision 4, by adding subdivisions; 122A.14, subdivision 3, by adding a subdivision; 122A.18, subdivision 2; 122A.20, subdivision 1; 122A.21, subdivision 2; 122A.23; 122A.245, subdivisions 1, 3, 7; 122A.25; 122A.30; 122A.31, subdivisions 1, 2; 122A.40, subdivisions 5, 8, 10, 11; 122A.41, subdivisions 2, 5, 14; 122A.414, subdivision 2; 122A.60, subdivision 1a; 122A.61, subdivision 1; 122A.69; 122A.70, subdivision 1; 123A.24, subdivision 1; 123A.75, subdivision 1; 123B.77, subdivision 3; 123B.88, subdivision 1; 124D.09, subdivisions 5, 5a, 8, 9, 12; 124D.091, subdivision 1; 124D.10, subdivisions 1, 3, 4, 8, 9, 12, 14, 23, by adding a subdivision; 124D.11, subdivision 9; 124D.121; 124D.122; 124D.126, subdivision 1; 124D.127; 124D.128, subdivision 1; 124D.13, subdivision 4; 124D.165, subdivisions 2, 3, 4, by adding subdivisions; 124D.50, by adding a subdivision; 124D.73, subdivisions 3, 4; 124D.74, subdivisions 1, 3, 6; 124D.75, subdivisions 1, 3, 9; 124D.76; 124D.78; 124D.79, subdivisions 1, 2; 124D.791, subdivision 4; 125A.01; 125A.023, subdivisions 3, 4; 125A.027; 125A.08; 125A.085; 125A.0942, subdivision 3; 125A.21; 125A.28; 125A.63, subdivisions 2, 3, 4, 5; 125A.75, subdivision 9; 125B.26, subdivision 2; 126C.10, subdivision 13a; 126C.13, subdivisions 3a, 4; 126C.15, subdivision 1; 126C.17, subdivisions 1, 2; 126C.48, subdivision 8; 127A.05, subdivision 6; 127A.49, subdivision 1; 127A.70, subdivision 1; 134.20, subdivision 2; 135A.101, by adding a subdivision; 179A.20, by adding a subdivision; Laws 2013, chapter 116, article 2, section 20, subdivision 3; Laws 2014, chapter 312, article 16, section 15; proposing coding for new law in Minnesota Statutes, chapter 125A; repealing Minnesota Statutes 2014, sections 120B.128; 120B.35, subdivision 5; 122A.40, subdivision 11; 125A.63, subdivision 1; 126C.12, subdivision 6; 126C.41, subdivision 1; Minnesota Rules, part 3500.1000."

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

The report was adopted.

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

H. F. No. 1604, A bill for an act relating to health; requiring commissioner of health to develop a list of authorized entities; allowing certain individuals to obtain and administer epinephrine without a prescription; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 3, line 11, delete "An authorized entity that possesses and" and insert "Any act or omission taken pursuant to this section by an authorized entity that possesses and makes available epinephrine auto-injectors and its employees or agents, a pharmacy or manufacturer that dispenses epinephrine auto-injectors to an authorized entity, or an individual or entity that conducts the training described in subdivision 5 is considered "emergency care, advice, or assistance" under section 604A.01."

Page 3, delete lines 12 to 19

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 to which was referred:

H. F. No. 1640, A bill for an act relating to human services; repealing the TEFRA monetary parental contribution; amending Minnesota Statutes 2014, sections 13.46, subdivision 2; 246.511; 252.27, subdivisions 1, 2a, 3; 270B.14, subdivision 1; repealing Minnesota Statutes 2014, section 252.27, subdivisions 2, 2b, 4a, 5, 6.

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 to which was referred:

H. F. No. 1652, A bill for an act relating to health; making changes to the Minnesota prescription monitoring program; amending Minnesota Statutes 2014, section 152.126, subdivisions 1, 3, 5, 6; repealing Laws 2014, chapter 286, article 7, section 4.

Reported the same back with the following amendments:

Page 3, lines 28 to 31, reinstate the stricken language

Page 3, line 32, reinstate the stricken language and delete the new language

Page 3, line 33, reinstate the stricken language

Page 4, lines 7 to 9, reinstate the stricken language

Page 5, line 15, strike "A permissible user" and insert "Only permissible users"

Page 5, line 16, after the period, insert "No other permissible user may directly access the data electronically."

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1659, A bill for an act relating to health; modifying definitions; increasing the permitted ratio of pharmacy technicians to pharmacists; increasing the size of the Board of Pharmacy; amending Minnesota Statutes 2014, sections 151.01, subdivisions 15a, 27; 151.02; 151.102.

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1664, A bill for an act relating to taxation; requiring the state to transition to a federally facilitated marketplace under certain conditions; appropriating money; repealing Minnesota Statutes 2014, sections 62V.01; 62V.02; 62V.03; 62V.04; 62V.05; 62V.06; 62V.07; 62V.08; 62V.09; 62V.10; 62V.11.

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1665, A bill for an act relating to human services; repealing the MinnesotaCare program; requiring health carriers to offer MinnesotaCare II plans; providing cost-sharing reductions and premium subsidies for MinnesotaCare II enrollees; making conforming changes; appropriating money; amending Minnesota Statutes 2014, sections 62V.05, by adding a subdivision; 256.98, subdivision 1; 256B.021, subdivision 4; 270A.03, subdivision 5; 270B.14, subdivision 1; repealing Minnesota Statutes 2014, sections 13.461, subdivision 26; 16A.724, subdivision 3; 62A.046, subdivision 5; 256L.01, subdivisions 1, 1a, 1b, 2, 3, 3a, 5, 6, 7; 256L.02, subdivisions 1, 2, 3, 5, 6; 256L.03, subdivisions 1, 1a, 1b, 2, 3, 3a, 3b, 4, 4a, 5, 6; 256L.04, subdivisions 1, 1a, 1c, 2, 2a, 7, 7a, 7b, 8, 10, 12, 13, 14; 256L.05, subdivisions 1, 1a, 1b, 1c, 2, 3, 3a, 3c, 4, 5, 6; 256L.06, subdivision 3; 256L.07, subdivisions 1, 2, 3, 4; 256L.09, subdivisions 1, 2, 4, 5, 6, 7; 256L.10; 256L.11, subdivisions 1, 2, 2a, 3, 4, 7; 256L.12; 256L.121; 256L.15, subdivisions 1, 1a, 1b, 2; 256L.18; 256L.22; 256L.24; 256L.26; 256L.28.

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 to which was referred:

H. F. No. 1669, A bill for an act relating to transportation; governing drive-away in-transit license plates; classifying certain data; appropriating money; amending Minnesota Statutes 2014, sections 13.6905, by adding a subdivision; 168.053, subdivision 1, by adding a subdivision; 168.346, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 14, after the semicolon, insert "and"

Page 2, delete lines 15 to 17

Page 2, line 18, delete "(5)" and insert "(4)"

Page 2, line 33, delete "(a)"

Page 2, line 35, delete "The"

Page 3, delete lines 1 to 17

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 Transportation Policy and Finance.

The report was adopted.

Anderson, S., from the Committee on State Government Finance to which was referred:

H. F. No. 1673, A bill for an act relating to veterans; repealing commissioner of veterans affairs guardianship program; repealing Minnesota Statutes 2014, section 196.051.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1677, A bill for an act relating to human services; providing for human services policy modifications; authorizing the use of unmarked vehicles; modifying requirements for background study expenses; modifying cost of care requirements for persons committed by tribal courts; requiring compliance with the Minnesota Indian Family Preservation Act; requiring documentation of nonemergency medical transportation services; continuing a council; authorizing rulemaking; amending Minnesota Statutes 2014, sections 168.012, subdivision 1; 245C.10, by adding a subdivision; 253B.212, subdivision 2, by adding a subdivision; 256B.0625, by adding a subdivision; 260C.168; 471.346; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Page 6, line 8, before "the" insert "and serving at the pleasure of"

Page 7, delete lines 9 and 10

Renumber the clauses in sequence

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

The report was adopted.

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1744, A bill for an act relating to transportation; motor carriers; prohibiting certain commercial motor vehicles from operating in Minnesota while a federal out-of-service order is effective; amending Minnesota Statutes 2014, sections 221.031, by adding a subdivision; 221.605, by adding a subdivision.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1745, A bill for an act relating to siting solar generating systems; setting setback standards; requiring local project approval for site permit; amending Minnesota Statutes 2014, sections 216E.03, subdivisions 5, 7; 216E.04, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 216E.

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.

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1751, A bill for an act relating to human rights; making changes to scope of application for certificate of compliance; clarifying requirements for bids and proposals from certain businesses; amending Minnesota Statutes 2014, sections 363A.36, subdivision 1; 363A.37, subdivision 1; 473.144.

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

The report was adopted.

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

H. F. No. 1770, A bill for an act relating to courts; providing for conciliation court jurisdiction to determine claims by a county against a nonresident; amending Minnesota Statutes 2014, section 491A.01, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, before line 6, insert:

"Section 1. Minnesota Statutes 2014, section 491A.01, subdivision 3a, is amended to read:

Subd. 3a. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed: (1) \$15,000; or (2) \$4,000, if the claim involves a consumer credit transaction.

(b) "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(c) Except as otherwise provided in this subdivision and subdivisions 5 to ~~10~~ 11, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds \$2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail."

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 Public Safety and Crime Prevention Policy and Finance.

The report was adopted.

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

H. F. No. 1783, A bill for an act relating to auto insurance; providing transportation network financial responsibility; amending Minnesota Statutes 2014, section 65B.64, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 65B.

Reported the same back with the following amendments:

Page 1, line 12, after "compensation" insert "primarily"

Page 2, lines 24 and 34, delete "\$1,500,000" and insert "\$1,000,000"

Page 3, delete lines 28 and 29 and insert "\$50,000 because of bodily injury to one person in any accident, \$100,000 because of bodily injury to two or more persons in any accident, and \$30,000 for injury or destruction of property of others in any one accident;"

Page 4, delete lines 3 and 4 and insert "minimum, limits of \$50,000 because of injury to or the death of one person in any accident and \$100,000 because of injury to or the death of two or more persons in any accident;"

Page 4, line 10, delete "paragraph" and insert "subdivision"

Page 4, after line 27, insert:

"(h) A plan of transportation network financial responsibility required by this section can be purchased from an insurer authorized to write insurance in this state under section 60A.07, or from a surplus lines insurer authorized to write insurance under section 60A.07 or sections 60A.195 to 60A.2095."

Page 4, line 28, after "This" insert "section"

Page 5, line 23, delete "paragraph" and insert "subdivision"

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

The report was adopted.

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1792, A bill for an act relating to health; making changes to provisions governing receivership of nursing homes or certified boarding care homes; establishing a unified home care bill of rights; amending Minnesota Statutes 2014, sections 144A.15; 256B.0641, subdivision 3; 256B.495, subdivisions 1, 5; proposing coding for new law in Minnesota Statutes, chapter 144A; repealing Minnesota Statutes 2014, sections 144A.14; 256B.495, subdivisions 1a, 2, 4.

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

The report was adopted.

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1801, A bill for an act relating to public safety; authorizing issuance of citations for certain work zone violations; amending Minnesota Statutes 2014, section 169.06, subdivision 4a.

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

The report was adopted.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1835, A bill for an act relating to water; modifying the Metropolitan Area Water Supply Advisory Committee and specifying its duties; requiring a report; delaying implementation of a groundwater management area plan; amending Minnesota Statutes 2014, section 473.1565.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 103G.291, subdivision 3, is amended to read:

Subd. 3. **Water supply plans; demand reduction.** (a) Every public water supplier serving more than 1,000 people must submit a water supply plan to the commissioner for approval by January 1, 1996. In accordance with guidelines developed by the commissioner, the plan must address projected demands, adequacy of the water supply system and planned improvements, existing and future water sources, natural resource impacts or limitations, emergency preparedness, water conservation, supply and demand reduction measures, and allocation priorities that are consistent with section 103G.261. Public water suppliers must update their plan and, upon notification, submit it to the commissioner for approval every ten years.

(b) The water supply plan in paragraph (a) is required for all communities in the metropolitan area, as defined in section 473.121, with a municipal water supply system and is a required element of the local comprehensive plan required under section 473.859. ~~Water supply plans or updates submitted after December 31, 2008, must be consistent with the metropolitan area master water supply plan required under section 473.1565, subdivision 1, paragraph (a), clause (2).~~

(c) Public water suppliers serving more than 1,000 people must encourage water conservation by employing water use demand reduction measures, as defined in subdivision 4, paragraph (a), before requesting approval from the commissioner of health under section 144.383, paragraph (a), to construct a public water supply well or requesting an increase in the authorized volume of appropriation. The commissioner of natural resources and the water supplier shall use a collaborative process to achieve demand reduction measures as a part of a water supply plan review process.

(d) Public water suppliers serving more than 1,000 people must submit records that indicate the number of connections and amount of use by customer category and volume of water unaccounted for with the annual report of water use required under section 103G.281, subdivision 3.

(e) For the purposes of this section, "public water supplier" means an entity that owns, manages, or operates a public water supply, as defined in section 144.382, subdivision 4.

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

Sec. 2. Minnesota Statutes 2014, section 473.1565, is amended to read:

**473.1565 METROPOLITAN AREA WATER SUPPLY PLANNING ACTIVITIES; ADVISORY COMMITTEE COMMITTEES.**

Subdivision 1. **Planning activities.** (a) The Metropolitan Council must carry out planning activities addressing the water supply needs of the metropolitan area as defined in section 473.121, subdivision 2. The planning activities must include, at a minimum:

(1) development and maintenance of a base of technical information needed for sound water supply decisions including surface and groundwater availability analyses, water demand projections, water withdrawal and use impact analyses, modeling, and similar studies;

(2) development and periodic update of a metropolitan area master water supply plan, prepared in cooperation with and subject to the approval of the ~~commissioner of natural resources~~ policy advisory committee established in this section, that:

(i) provides guidance for local water supply systems and future regional investments;

(ii) emphasizes conservation, interjurisdictional cooperation, and long-term sustainability; and

(iii) addresses the reliability, security, and cost-effectiveness of the metropolitan area water supply system and its local and subregional components;

(3) recommendations for clarifying the appropriate roles and responsibilities of local, regional, and state government in metropolitan area water supply;

(4) recommendations for streamlining and consolidating metropolitan area water supply decision-making and approval processes; and

(5) recommendations for the ongoing and long-term funding of metropolitan area water supply planning activities and capital investments.

(b) The council must carry out the planning activities in this subdivision in consultation with the Metropolitan Area Water Supply Policy and Technical Advisory Committee ~~Committees~~ established in ~~subdivision 2~~ this section.

Subd. 2. **Policy advisory committee.** (a) A Metropolitan Area Water Supply Policy Advisory Committee is established to assist the council in its planning activities in subdivision 1 and to provide advice to the Legislative Water Commission. The policy advisory committee has the following membership:

(1) the commissioner of agriculture or the commissioner's designee;

(2) the commissioner of health or the commissioner's designee;

(3) the commissioner of natural resources or the commissioner's designee;

(4) the commissioner of the Pollution Control Agency or the commissioner's designee;

(5) two officials of counties that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Minnesota Counties;

(6) five officials of noncounty local governmental units that are located in the metropolitan area, appointed by the governor, in consultation with the Association of Metropolitan Municipalities;

(7) the chair of the Metropolitan Council or the chair's designee, who is chair of the advisory committee; ~~and~~

(8) one official each from the counties of Chisago, Isanti, Sherburne, and Wright, appointed by the governor, in consultation with the Association of Minnesota Counties and the League of Minnesota Cities; and

(9) a member of the Board of Water Commissioners of the Saint Paul Regional Water Services, appointed by and serving at the pleasure of the Board of Water Commissioners, and a representative of the Minneapolis Water Department, appointed by and serving at the pleasure of the mayor of the city of Minneapolis.

A local government unit in each of the seven counties in the metropolitan area and Chisago, Isanti, Sherburne, and Wright Counties must be represented in the 11 appointments made under clauses (5), (6), and (8).

(b) Members of the advisory committee appointed by the governor serve at the pleasure of the governor. Members of the advisory committee serve without compensation but may be reimbursed for their reasonable expenses as determined by the Metropolitan Council. ~~The advisory committee expires December 31, 2016.~~

(c) The council must consider the work and recommendations of the policy advisory committee when the council is preparing its regional development framework.

**Subd. 2a. Technical advisory committee.** A Metropolitan Area Water Supply Technical Advisory Committee is established to inform the policy advisory committee's work by providing scientific and engineering expertise necessary to provide the region an adequate and sustainable water supply. The technical advisory committee consists of 11 members appointed by the policy advisory committee as follows:

(1) six members to represent operators of single-city and multicity public water supply systems in the metropolitan area;

(2) a hydrologist with expertise in groundwater analysis and modeling;

(3) a hydrologist with expertise in surface water analysis and modeling;

(4) an engineer with expertise in the design and construction of water supply systems;

(5) a person with expertise in population and demographic forecasting and modeling; and

(6) a person with expertise in water demand forecasting.

Members of the technical advisory committee serve at the pleasure of the policy advisory committee, without compensation, but may be reimbursed for their reasonable expenses as determined by the council.

**Subd. 3. Reports to legislature.** (a) The council must submit reports to the legislature regarding its findings, recommendations, and continuing planning activities under subdivision 1. These reports shall be included in the "Minnesota Water Plan" required in section 103B.151, and five-year interim reports may be provided as necessary.

(b) By February 15, 2017, and at least every five years thereafter, the policy advisory committee shall report to the council, the Legislative Water Commission, and the chairs and ranking minority members of the house of representatives and senate committees and divisions with jurisdiction over environment and natural resources with the information required under this section. The policy advisory committee's report and recommendations must include information provided by the technical advisory committee.

**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. 3. **NORTH AND EAST METRO GROUNDWATER MANAGEMENT AREA PLAN SUSPENSION.**

Until the report required under Minnesota Statutes, section 473.1565, is submitted to the legislature, the commissioner of natural resources shall not:

(1) implement groundwater appropriation permit changes as proposed in the North and East Metro Groundwater Management Area Plan Draft, prepared February 2, 2015; or

(2) require communities to connect to a regional surface water source or otherwise expend resources to plan or prepare for a regional surface water connection.

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

Sec. 4. **APPROPRIATION.**

\$...... is appropriated for the biennium beginning July 1, 2015, from the general fund to the Metropolitan Council for the council's and the policy and technical advisory committees' work under Minnesota Statutes, section 473.1565."

Delete the title and insert:

"A bill for an act relating to water; modifying Metropolitan Area Water Supply Advisory Committee and specifying duties; modifying water supply plan requirements; requiring a report; delaying implementation of groundwater management area plan; appropriating money; amending Minnesota Statutes 2014, sections 103G.291, subdivision 3; 473.1565."

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

The report was adopted.

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

H. F. No. 1853, A bill for an act relating to human services; setting new payment rates for critical access hospitals; requiring a new payment methodology for disproportionate share hospital payments; amending Minnesota Statutes 2014, section 256.969, subdivisions 2b, 9.

Reported the same back with the following amendments:

Page 5, after line 29, insert:

"Sec. 3. Minnesota Statutes 2014, section 256B.75, is amended to read:

**256B.75 HOSPITAL OUTPATIENT REIMBURSEMENT.**

(a) For outpatient hospital facility fee payments for services rendered on or after October 1, 1992, the commissioner of human services shall pay the lower of (1) submitted charge, or (2) 32 percent above the rate in effect on June 30, 1992, except for those services for which there is a federal maximum allowable payment. Effective for services rendered on or after January 1, 2000, payment rates for nonsurgical outpatient hospital facility fees and emergency room facility fees shall be increased by eight percent over the rates in effect on December 31, 1999, except for those services for which there is a federal maximum allowable payment. Services for which there is a federal maximum allowable payment shall be paid at the lower of (1) submitted charge, or (2) the federal maximum allowable payment. Total aggregate payment for outpatient hospital facility fee services shall not exceed the Medicare upper limit. If it is determined that a provision of this section conflicts with existing or future requirements of the United States government with respect to federal financial participation in medical assistance, the federal requirements prevail. The commissioner may, in the aggregate, prospectively reduce payment rates to avoid reduced federal financial participation resulting from rates that are in excess of the Medicare upper limitations.

(b) Notwithstanding paragraph (a), payment for outpatient, emergency, and ambulatory surgery hospital facility fee services for critical access hospitals designated under section 144.1483, clause (9), shall be paid on a cost-based payment system that is based on the cost-finding methods and allowable costs of the Medicare program.

(c) Effective for services provided on or after July 1, 2003, rates that are based on the Medicare outpatient prospective payment system shall be replaced by a budget neutral prospective payment system that is derived using medical assistance data. The commissioner shall provide a proposal to the 2003 legislature to define and implement this provision.

(d) For fee-for-service services provided on or after July 1, 2002, the total payment, before third-party liability and spenddown, made to hospitals for outpatient hospital facility services is reduced by .5 percent from the current statutory rate.

(e) In addition to the reduction in paragraph (d), the total payment for fee-for-service services provided on or after July 1, 2003, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced five percent from the current statutory rates. Facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(f) In addition to the reductions in paragraphs (d) and (e), the total payment for fee-for-service services provided on or after July 1, 2008, made to hospitals for outpatient hospital facility services before third-party liability and spenddown, is reduced three percent from the current statutory rates. Mental health services and facilities defined under section 256.969, subdivision 16, are excluded from this paragraph.

(g) Effective for services provided on or after July 1, 2015, rates established for critical access hospitals under paragraph (b) for the applicable payment year shall be the final payment and shall not be settled to actual costs."

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.

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

H. F. No. 1874, A bill for an act relating to MNsure; requiring background checks for navigators; amending Minnesota Statutes 2014, section 62V.05, subdivision 4.

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.

Gunther from the Committee on Greater Minnesota Economic and Workforce Development Policy to which was referred:

H. F. No. 1878, A bill for an act relating to economic development; appropriating money for sustainable child care in rural Minnesota.

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.

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

H. F. No. 1884, A bill for an act relating to alcohol; allowing learner's permits for adults as identification for the purchase of alcohol; amending Minnesota Statutes 2014, section 340A.503, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 340A.503, subdivision 6, is amended to read:

Subd. 6. **Proof of age; defense; seizure of false identification.** (a) Proof of age for purchasing or consuming alcoholic beverages may be established only by one of the following:

(1) a valid driver's license or identification card issued by Minnesota, another state, or a province of Canada, and including the photograph and date of birth of the licensed person;

(2) a valid military identification card issued by the United States Department of Defense;

(3) a valid passport issued by the United States;

(4) a valid instructional permit that includes a photograph issued under section 171.05 to an adult of legal age to purchase alcohol; or

~~(4)~~ (5) in the case of a foreign national, by a valid passport.

(b) In a prosecution under subdivision 2, clause (1), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in paragraph (a) in selling, bartering, furnishing, or giving the alcoholic beverage.

(c) A licensed retailer or municipal liquor store may seize a form of identification listed under paragraph (a) if the retailer or municipal liquor store has reasonable grounds to believe that the form of identification has been altered or falsified or is being used to violate any law. A retailer or municipal liquor store that seizes a form of identification as authorized under this paragraph must deliver it to a law enforcement agency, within 24 hours of seizing it.

**EFFECTIVE DATE.** This section is effective July 1, 2015."

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

The report was adopted.

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

H. F. No. 1901, A bill for an act relating to estates; providing apportionment of taxes occasioned by a decedent's death; amending Minnesota Statutes 2014, section 524.3-916.

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

The report was adopted.

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

H. F. No. 1931, A bill for an act relating to taxation; sustainable forest incentive program; aquatic invasive species prevention aid; modifying program requirements; providing for registration and annual verification of forest management plans and certifying eligibility requirements; requiring certification for aquatic invasive species aid; eliminating obsolete provisions for calculating sustainable forest incentive program payments; amending Minnesota Statutes 2014, sections 290C.03; 477A.19, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 290C; repealing Minnesota Statutes 2014, sections 290C.02, subdivisions 5, 9; 290C.06.

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

The report was adopted.

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

H. F. No. 1936, A bill for an act relating to human services; requiring the commissioner of human services to contract with a vendor for eligibility verification audit services for public health care programs.

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.

Sanders from the Committee on Government Operations and Elections Policy to which was referred:

H. F. No. 1974, A bill for an act relating to redistricting; establishing districting principles for legislative and congressional plans; proposing coding for new law in Minnesota Statutes, chapter 2.

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

The report was adopted.

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

H. F. No. 1982, A bill for an act relating to taxation; tax data; modifying disclosure to the commissioner of human services; amending Minnesota Statutes 2014, section 270B.14, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 12, delete the new language and reinstate the stricken language

Page 2, line 14, delete the new language and insert "and to verify income for eligibility under the medical assistance program under chapter 256B"

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

The report was adopted.

Peppin from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2009, A bill for an act relating to commerce; regulating health coverages; modifying coverages; amending Minnesota Statutes 2014, sections 62A.3075; 62A.65, subdivision 3; 62L.05, subdivision 9; 62L.08, by adding a subdivision; 62Q.18; 62Q.73, subdivision 3.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Commerce and Regulatory Reform.

The report was adopted.

## SECOND READING OF HOUSE BILLS

H. F. Nos. 283, 288, 305, 307, 321, 322, 446, 722, 827, 864, 906, 948, 953, 1066, 1085, 1090, 1116, 1163, 1168, 1187, 1234, 1242, 1297, 1329, 1342, 1357, 1376, 1406, 1519, 1673 and 1783 were read for the second time.

## POINT OF ORDER

Winkler raised a point of order pursuant to rule 4.31 relating to H. F. No. 43. Speaker pro tempore Davids ruled the point of order not well taken.

Thissen appealed the decision of Speaker pro tempore Davids.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of Speaker pro tempore Davids stand as the judgment of the House?" and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hertaus	Lucero	Peppin	Swedzinski
Anderson, P.	Drazkowski	Hoppe	Lueck	Petersburg	Theis
Anderson, S.	Erickson	Howe	Mack	Peterson	Torkelson
Backer	Fenton	Johnson, B.	McDonald	Pierson	Uglen
Baker	Franson	Kelly	McNamara	Pugh	Urdahl
Barrett	Garofalo	Kiel	Miller	Quam	Vogel
Bennett	Green	Knoblach	Nash	Rarick	Whelan
Christensen	Gruenhagen	Koznick	Newberger	Runbeck	Wills
Cornish	Gunther	Kresha	Nornes	Sanders	Zerwas
Daniels	Hamilton	Lohmer	O'Driscoll	Schomacker	Spk. Daudt
Davids	Hancock	Loon	O'Neill	Scott	
Dean, M.	Heintzeman	Loonan	Pelowski	Smith	

Those who voted in the negative were:

Allen	Dill	Johnson, C.	Mariani	Norton	Thissen
Anzelc	Erhardt	Johnson, S.	Marquart	Persell	Wagenius
Applebaum	Fischer	Kahn	Masin	Pinto	Ward
Atkins	Freiberg	Laine	Melin	Poppe	Winkler
Bernardy	Halverson	Lenczewski	Metsa	Rosenthal	Yarusso
Bly	Hansen	Lesch	Moran	Schoen	Youakim
Carlson	Hausman	Liebling	Mullery	Schultz	
Clark	Hilstrom	Lien	Murphy, E.	Selcer	
Considine	Hornstein	Lillie	Murphy, M.	Simonson	
Davnie	Hortman	Loeffler	Nelson	Slocum	
Dehn, R.	Isaacson	Mahoney	Newton	Sundin	

So it was the judgment of the House that the decision of Speaker pro tempore Davids should stand.

## INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Theis, Youakim and Sanders introduced:

H. F. No. 2057, A bill for an act relating to capital investment; requiring that certain equipment to accommodate hearing-impaired people be included in a capital improvement project using state funds; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

Petersburg introduced:

H. F. No. 2058, A bill for an act relating to agriculture; appropriating money for a local food promotion and education event.

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

Torkelson, Swedzinski, Miller, Gruenhagen and Johnson, C., introduced:

H. F. No. 2059, A bill for an act relating to capital investment; appropriating money to the Minnesota Valley Regional Rail Authority; authorizing sale and issuance of state bonds.

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

Murphy, M.; Schultz and Simonson introduced:

H. F. No. 2060, A bill for an act relating to arts and cultural heritage; appropriating money to Lake Superior Center Authority.

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

Albright, Smith and Hoppe introduced:

H. F. No. 2061, A bill for an act relating to commerce; limiting the use of evergreen clauses in certain leases and contracts; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Lueck, Dill and Fabian introduced:

H. F. No. 2062, A bill for an act relating to game and fish; providing one week to register a hunter-harvested deer; requiring rulemaking; amending Minnesota Statutes 2014, section 97B.301, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Mining and Outdoor Recreation Policy.

Hilstrom introduced:

H. F. No. 2063, A bill for an act relating to public safety; amending the career offender sentencing statute; amending Minnesota Statutes 2014, section 609.1095, subdivision 4.

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

Nornes, Fabian, Marquart, Anzelc, Christensen, Wills and Fenton introduced:

H. F. No. 2064, A bill for an act relating to education funding; appropriating money for the Minnesota Learning Resource Center.

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

Baker introduced:

H. F. No. 2065, A bill for an act relating to transportation; highways; making an appropriation for construction of segments of marked Trunk Highway 23 as a four-lane divided highway; authorizing the sale and issuance of state bonds.

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

Baker introduced:

H. F. No. 2066, A bill for an act relating to transportation; highways; making an appropriation for construction of a segment of marked Trunk Highway 23 as a four-lane divided highway; authorizing the sale and issuance of state bonds.

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

Baker introduced:

H. F. No. 2067, A bill for an act relating to transportation; highways; making an appropriation for construction of a segment of marked Trunk Highway 23 as a four-lane divided highway; authorizing the sale and issuance of state bonds.

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

Dettmer; Peterson; Kresha; Anderson, P., and Hertaus introduced:

H. F. No. 2068, A bill for an act relating to education finance; increasing the statewide cap on basic alternative teacher compensation aid; amending Minnesota Statutes 2014, section 122A.415, subdivision 4.

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

Lucero introduced:

H. F. No. 2069, A bill for an act relating to state lands; authorizing conveyance of certain tax-forfeited lands that border public water.

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

Sanders introduced:

H. F. No. 2070, A bill for an act relating to crime prevention; requiring commissioner of public safety to appoint railroad peace officers; providing for licensing and compensation of railroad peace officers; addressing civil liability issues; requiring rulemaking; amending Minnesota Statutes 2014, sections 626.05, subdivision 2; 626.84, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 219.

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

Mahoney, Gunther and Baker introduced:

H. F. No. 2071, A bill for an act relating to economic development; appropriating money for the Minnesota marketing partnership; proposing coding for new law in Minnesota Statutes, chapter 116J.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Albright, Nash and Smith introduced:

H. F. No. 2072, A bill for an act relating to titling; providing for transfer-on-death of title to watercraft and motor vehicles; exempting transfer from motor vehicle sales tax; amending Minnesota Statutes 2014, sections 246.53, subdivision 1; 256B.15, subdivision 1a; 261.04, subdivision 1; 297B.01, subdivision 16; proposing coding for new law in Minnesota Statutes, chapters 86B; 168A.

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

Smith, Koznick and Vogel introduced:

H. F. No. 2073, A bill for an act relating to workforce development; modifying the workforce development fund special assessment; amending Minnesota Statutes 2014, section 116L.20, subdivision 1.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Youakim; Johnson, S.; Sundin; Loonan; Slocum; Atkins and Metsa introduced:

H. F. No. 2074, A bill for an act relating to telecommunications; requiring notice of automatic renewal cancellation; proposing coding for new law in Minnesota Statutes, chapter 325F.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Theis and Knoblach introduced:

H. F. No. 2075, A bill for an act relating to liquor; authorizing an intoxicating liquor license for a municipal athletic complex in St. Cloud.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Johnson, C., introduced:

H. F. No. 2076, A bill for an act relating to transportation; establishing regulations governing autocycles, including vehicle classification, driver licensing, and operating requirements; amending Minnesota Statutes 2014, sections 169.011, by adding a subdivision; 169.974, subdivisions 2, 3, 4, 5; 171.01, by adding a subdivision; 171.02, subdivision 2.

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

Drazkowski introduced:

H. F. No. 2077, A bill for an act relating to taxation; property; providing for a school building bond agricultural credit; appropriating money; amending Minnesota Statutes 2014, sections 273.1393; 275.065, subdivision 3; 275.07, subdivision 2; 275.08, subdivision 1b; 276.04, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 273.

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

Hamilton introduced:

H. F. No. 2078, A bill for an act relating to taxation; sales and use; providing an exemption for construction of certain housing by the Worthington Housing and Redevelopment Authority; appropriating money.

The bill was read for the first time and referred to the Committee on Greater Minnesota Economic and Workforce Development Policy.

McDonald; Dean, M.; Whelan; Gruenhagen; Pinto and Liebling introduced:

H. F. No. 2079, A bill for an act relating to health; appropriating money for home visiting system infrastructure and program standards.

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

Lohmer and Laine introduced:

H. F. No. 2080, A bill for an act relating to health occupations; changing the regulatory agency for licensed midwives from the Board of Medical Practice to the commissioner of health; amending Minnesota Statutes 2014, sections 147D.01, subdivisions 3, 4, 5, 7; 147D.05, subdivision 1; 147D.07, subdivisions 2, 3; 147D.09; 147D.13, subdivisions 2, 3, 4; 147D.15, subdivision 2; 147D.17, subdivisions 1, 2, 3, 5, 6, 7, 8, 9, 10, 12, 13; 147D.19; 147D.21, subdivisions 1, 2, 5; 147D.25, subdivisions 1, 3; 147D.27, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 147D; repealing Minnesota Statutes 2014, sections 147D.17, subdivision 4; 147D.23.

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

Garofalo and Hortman introduced:

H. F. No. 2081, A bill for an act relating to electric and compressed natural gas vehicles; requiring certain public utilities to file plans with the Public Utilities Commission promoting electric and compressed natural gas vehicles and to recover costs of such promotion; providing rebates and incentives to electric and compressed natural gas vehicle purchasers and salespersons; appropriating money; amending Minnesota Statutes 2014, section 216B.16, by adding a subdivision; 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.

Baker introduced:

H. F. No. 2082, A bill for an act relating to construction codes; modifying license and other fees; amending Minnesota Statutes 2014, sections 326B.092, subdivision 7; 326B.096; 326B.986, subdivisions 5, 8.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Davids introduced:

H. F. No. 2083, A bill for an act relating to taxation; individual income; allowing a subtraction for student loan principal payments; amending Minnesota Statutes 2014, section 290.01, subdivision 19b.

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

Davids introduced:

H. F. No. 2084, A bill for an act relating to taxation; individual income; allowing a refundable credit for student loan principal and interest payments; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Clark introduced:

H. F. No. 2085, A bill for an act relating to capital investment; appropriating money for the Norway House in Minneapolis.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Clark; Dehn, R.; Moran; Loeffler; Allen; Fischer; Masin; Mullery and Erhardt introduced:

H. F. No. 2086, A bill for an act relating to workforce development; appropriating money to the UMMAH Project, Inc. for a workforce development, crime prevention, and leadership skill building pilot program for Somali youth.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Kahn and Metsa introduced:

H. F. No. 2087, A bill for an act proposing an amendment to the Minnesota Constitution, article VII, section 1; changing the state and local election voting age from 18 to 16.

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

Kahn, Metsa and Clark introduced:

H. F. No. 2088, A bill for an act relating to elections; proposing an amendment to the Minnesota Constitution, article VII, section 1; lowering the voting age to 16 years in school district elections.

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

Kahn; Freiberg; Loeffler; Hortman; Schultz; Simonson; Hornstein; Wagenius; Carlson; Hausman; Johnson, C., and Considine introduced:

H. F. No. 2089, A bill for an act relating to public health; expanding the definition of smoking under the Clean Indoor Air Act; amending Minnesota Statutes 2014, section 144.413, subdivision 4.

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

Metsa; Anzelc; Dill; Anderson, P., and Hamilton introduced:

H. F. No. 2090, A bill for an act relating to water; appropriating money for subsurface sewage treatment system improvements.

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

Dean, M.; Swedzinski; Bennett and Dehn, R., introduced:

H. F. No. 2091, A bill for an act relating to economic development; creating a pilot program for community design in greater Minnesota; appropriating money.

The bill was read for the first time and referred to the Committee on Greater Minnesota Economic and Workforce Development Policy.

Anderson, M., and Drazkowski introduced:

H. F. No. 2092, A bill for an act relating to human services; making changes to public assistance programs; limiting the use of electronic benefit transfer cards; modifying residency requirements and asset standards for public assistance programs; establishing a family cap for MFIP; requiring testing for controlled substances for applicants and recipients of general assistance and MFIP; authorizing rulemaking; amending Minnesota Statutes 2014, sections 256.987, subdivision 3; 256D.02, subdivision 12a; 256D.08, subdivision 2; 256J.12, subdivisions 1a, 2; 256J.20,

subdivisions 1, 2; 256J.24, by adding a subdivision; 256P.02, subdivisions 1, 2; 256P.04, subdivisions 4, 8; Laws 2014, chapter 312, article 28, section 37; proposing coding for new law in Minnesota Statutes, chapters 256; 256D; 256J; repealing Minnesota Statutes 2014, sections 256J.20, subdivision 3; 256P.02, subdivision 3.

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

Newton introduced:

H. F. No. 2093, A bill for an act relating to local government; providing for additional financing of parks, trails, and recreational facilities for local units of government by special fees; proposing coding for new law in Minnesota Statutes, chapter 448.

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

Freiberg, Carlson and Winkler introduced:

H. F. No. 2094, A bill for an act relating to pupil transportation; requiring seat belts on newly purchased school buses; amending Minnesota Statutes 2014, sections 169.447, subdivision 2a; 169.685, subdivision 1.

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

Freiberg; Schultz; Kahn; Laine; Loeffler; Considine; Ward; Newton; Dehn, R.; Mariani; Hausman; Allen; Slocum; Moran; Liebling; Schoen and Sundin introduced:

H. F. No. 2095, A bill for an act relating to health; adopting compassionate care for terminally ill patients; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Peterson; Newton; Hamilton; Anderson, P.; Urdahl; Christensen and Erhardt introduced:

H. F. No. 2096, A bill for an act relating to education finance; establishing a global workforce development grant program; appropriating money.

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

Applebaum, Atkins, Winkler, Mahoney and Melin introduced:

H. F. No. 2097, A bill for an act relating to consumer protection; prohibiting the collection of personal information related to credit card transactions; proposing coding for new law in Minnesota Statutes, chapter 325G.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

**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. 152 and 209.

JOANNE M. ZOFF, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 152, A bill for an act relating to civil liability; providing immunity from liability for certain agritourism activities; proposing coding for new law in Minnesota Statutes, chapter 604A.

The bill was read for the first time.

Anderson, P., moved that S. F. No. 152 and H. F. No. 216, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 209, A bill for an act relating to manufacturing housing; modifying manufactured home space requirements; amending Minnesota Statutes 2014, section 327.20, subdivision 1.

The bill was read for the first time.

Sanders moved that S. F. No. 209 and H. F. No. 180, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

Peppin moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

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

Fischer was excused between the hours of 7:45 p.m. and 8:15 p.m.

**CALENDAR FOR THE DAY**

H. F. No. 1027 was reported to the House.

Garofalo moved to amend H. F. No. 1027, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 177.24, subdivision 1, is amended to read:

Subdivision 1. **Amount.** (a) For purposes of this subdivision, the terms defined in this paragraph have the meanings given them.

(1) "Large employer" means an enterprise whose annual gross volume of sales made or business done is not less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(2) "Small employer" means an enterprise whose annual gross volume of sales made or business done is less than \$500,000 (exclusive of excise taxes at the retail level that are separately stated) and covered by the Minnesota Fair Labor Standards Act, sections 177.21 to 177.35.

(b) Except as otherwise provided in sections 177.21 to 177.35:

(1) every large employer must pay each employee wages at a rate of at least:

(i) \$8.00 per hour beginning August 1, 2014;

(ii) \$9.00 per hour beginning August 1, 2015;

(iii) \$9.50 per hour beginning August 1, 2016; and

(iv) the rate established under paragraph (f) beginning January 1, 2018; and

(2) every small employer must pay each employee at a rate of at least:

(i) \$6.50 per hour beginning August 1, 2014;

(ii) \$7.25 per hour beginning August 1, 2015;

(iii) \$7.75 per hour beginning August 1, 2016; and

(iv) the rate established under paragraph (f) beginning January 1, 2018.

(c) Notwithstanding paragraph (b), during the first 90 consecutive days of employment, an employer may pay an employee under the age of 20 years a wage of at least:

(1) \$6.50 per hour beginning August 1, 2014;

(2) \$7.25 per hour beginning August 1, 2015;

(3) \$7.75 per hour beginning August 1, 2016; and

(4) the rate established under paragraph (f) beginning January 1, 2018.

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

~~(d) Notwithstanding paragraph (b), an employer that is a "hotel or motel," "lodging establishment," or "resort" as defined in Minnesota Statutes 2012, section 157.15, subdivisions 7, 8, and 11, must pay an employee working under a contract with the employer that includes the provision by the employer of a food or lodging benefit, if the employee is working under authority of a summer work travel exchange visitor program (J) nonimmigrant visa, a wage of at least:~~

~~(1) \$7.25 per hour beginning August 1, 2014;~~

~~(2) \$7.50 per hour beginning August 1, 2015;~~

~~(3) \$7.75 per hour beginning August 1, 2016; and~~

~~(4) the rate established under paragraph (f) beginning January 1, 2018.~~

~~No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.~~

~~(e) (d) Notwithstanding paragraph (b), a large employer must pay an employee under the age of 18 at a rate of at least:~~

~~(1) \$6.50 per hour beginning August 1, 2014;~~

~~(2) \$7.25 per hour beginning August 1, 2015;~~

~~(3) \$7.75 per hour beginning August 1, 2016; and~~

~~(4) the rate established under paragraph (f) beginning January 1, 2018.~~

No employer may take any action to displace an employee, including a partial displacement through a reduction in hours, wages, or employment benefits, in order to hire an employee at the wage authorized in this paragraph.

(e) Notwithstanding paragraph (b), every employer must pay an employee receiving gratuities a wage of at least:

(1) \$8.00 per hour if the employee earns sufficient gratuities during the workweek so that the sum of \$8.00 per hour and gratuities received averages at least \$12.00 per hour for the workweek; or

(2) the greater of the wage rate under this section or United States Code, title 29, section 206(a)(1), if the employee does not earn sufficient gratuities during the workweek so that the sum of \$8.00 per hour and gratuities received averages at least \$12.00 per hour for the workweek.

For the purposes of this section, an "employee receiving gratuities" means an employee who customarily and regularly receives more than \$30 per month in gratuities. This paragraph does not apply to employees covered under a valid collective bargaining agreement.

(f) No later than August 31 of each year, beginning in 2017, the commissioner shall determine the percentage increase in the rate of inflation, as measured by the implicit price deflator, national data for personal consumption expenditures as determined by the United States Department of Commerce, Bureau of Economic Analysis during the 12-month period immediately preceding that August or, if that data is unavailable, during the most recent 12-month period for which data is available. The minimum wage rates in paragraphs (b), (c), (d), and (e) are increased by the lesser of: (1) 2.5 percent, rounded to the nearest cent; or (2) the percentage calculated by the commissioner, rounded to the nearest cent. A minimum wage rate shall not be reduced under this paragraph. The new minimum wage rates determined under this paragraph take effect on the next January 1.

(g)(1) No later than September 30 of each year, beginning in 2017, the commissioner may issue an order that an increase calculated under paragraph (f) not take effect. The commissioner may issue the order only if the commissioner, after consultation with the commissioner of management and budget, finds that leading economic indicators, including but not limited to projections of gross domestic product calculated by the United States Department of Commerce, Bureau of Economic Analysis; the Consumer Confidence Index issued by the Conference Board; and seasonally adjusted Minnesota unemployment rates, indicate the potential for a substantial downturn in the state's economy. Prior to issuing an order, the commissioner shall also calculate and consider the ratio of the rate of the calculated change in the minimum wage rate to the rate of change in state median income over the same time period used to calculate the change in wage rate. Prior to issuing the order, the commissioner shall hold a public hearing, notice of which must be published in the State Register, on the department's Web site, in newspapers of general circulation, and by other means likely to inform interested persons of the hearing, at least ten days prior to the hearing. The commissioner must allow interested persons to submit written comments to the commissioner before the public hearing and for 20 days after the public hearing.

(2) The commissioner may in a year subsequent to issuing an order under clause (1), make a supplemental increase in the minimum wage rate in addition to the increase for a year calculated under paragraph (f). The supplemental increase may be in an amount up to the full amount of the increase not put into effect because of the order. If the supplemental increase is not the full amount, the commissioner may make a supplemental increase of the difference, or any part of a difference, in a subsequent year until the full amount of the increase ordered not to take effect has been included in a supplemental increase. In making a determination to award a supplemental increase under this clause, the commissioner shall use the same considerations and use the same process as for an order under clause (1). A supplemental wage increase is not subject to and shall not be considered in determining whether a wage rate increase exceeds the limits for annual wage rate increases allowed under paragraph (f).

Sec. 2. Minnesota Statutes 2014, section 177.24, is amended by adding a subdivision to read:

**Subd. 3a. Gratuities; credit cards or charges.** (a) Gratuities presented to an employee via inclusion on a debit, charge, or credit card shall be credited to that pay period in which they are received by the employee and for which they appear on the employee's tip statement.

(b) Where a gratuity is given by a customer through a debit, charge, or credit card, the full amount of gratuity must be allowed the employee.

Sec. 3. **REPEALER.**

Minnesota Statutes 2014, section 177.24, subdivision 2, is repealed."

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Lien moved to amend the Garofalo amendment to H. F. No. 1027, the first engrossment, as follows:

Page 3, line 5, after the period, insert "The employer must inform a potential employee who may receive gratuities, during the employment interview, of the applicable wage under this paragraph. The employer must provide the potential employee with a written copy of the wages required under this paragraph and the potential employee shall initial the form indicating he or she has received the notice. A copy of the signed notice must be kept on file by the employer."

The motion prevailed and the amendment to the amendment was adopted.

Atkins and Loon were excused between the hours of 8:00 p.m. and 8:15 p.m.

Melin offered an amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

#### POINT OF ORDER

Albright raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Melin amendment to the Garofalo amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Melin amendment to the Garofalo amendment, as amended, out of order.

Melin appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 74 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Albright	Drazkowski	Hertaus	Lueck	Peterson	Theis
Anderson, P.	Erickson	Hoppe	Mack	Pierson	Torkelson
Anderson, S.	Fabian	Howe	McDonald	Pugh	Uglen
Backer	Fenton	Johnson, B.	McNamara	Quam	Urdahl
Baker	Franson	Kelly	Miller	Rarick	Vogel
Barrett	Garofalo	Kiel	Nash	Rosenthal	Whelan
Bennett	Green	Knoblach	Newberger	Runbeck	Wills
Christensen	Gruenhagen	Koznick	Nornes	Sanders	Zerwas
Cornish	Gunther	Kresha	O'Driscoll	Schomacker	Spk. Daudt
Daniels	Hackbarth	Lohmer	O'Neill	Scott	
Davids	Hamilton	Loon	Pelowski	Selcer	
Dean, M.	Hancock	Loonan	Peppin	Smith	
Dettmer	Heintzeman	Lucero	Petersburg	Swedzinski	

Those who voted in the negative were:

Allen	Bernardy	Clark	Dehn, R.	Freiberg	Hausman
Anzelc	Bly	Considine	Dill	Halverson	Hilstrom
Applebaum	Carlson	Davnie	Erhardt	Hansen	Hornstein

Hortman	Lesch	Marquart	Murphy, M.	Schoen	Ward
Isaacson	Liebling	Masin	Nelson	Schultz	Winkler
Johnson, C.	Lien	Melin	Newton	Simonson	Yarusso
Johnson, S.	Lillie	Metsa	Norton	Slocum	Youakim
Kahn	Loeffler	Moran	Persell	Sundin	
Laine	Mahoney	Mullery	Pinto	Thissen	
Lenczewski	Mariani	Murphy, E.	Poppe	Wagenius	

So it was the judgment of the House that the decision of the Speaker should stand.

Schoen moved to amend the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment, as follows:

Page 2, line 29, after "(e)" insert "(1)"

Page 2, line 31, delete "(1)" and insert "(i)"

Page 2, line 34, delete "(2)" and insert "(ii)"

Page 3, line 3, before "For" insert "(2)"

Page 3, line 5, after the period, insert "Notwithstanding clause (1), every employer must pay an employee receiving gratuities who works less than 30 hours per week the wage rate under this section or United States Code, title 29, section 206(a)(1), regardless of the amount of gratuities received."

A roll call was requested and properly seconded.

The question was taken on the Schoen amendment to the Garofalo amendment, as amended, and the roll was called. There were 60 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Allen	Dehn, R.	Hortman	Lillie	Murphy, E.	Selcer
Anzelc	Dill	Isaacson	Loeffler	Murphy, M.	Simonson
Applebaum	Erhardt	Johnson, C.	Mahoney	Nelson	Slocum
Baker	Fischer	Johnson, S.	Mariani	Newton	Sundin
Bernardy	Freiberg	Kahn	Marquart	Persell	Thissen
Bly	Halverson	Laine	Masin	Pinto	Wagenius
Carlson	Hansen	Lenczewski	Melin	Poppe	Ward
Clark	Hausman	Lesch	Metsa	Rosenthal	Winkler
Considine	Hilstrom	Liebling	Moran	Schoen	Yarusso
Davnie	Hornstein	Lien	Mullery	Schultz	Youakim

Those who voted in the negative were:

Albright	Christensen	Draskowski	Green	Heintzeman	Kiel
Anderson, P.	Cornish	Erickson	Gruenhagen	Hertaus	Knoblach
Anderson, S.	Daniels	Fabian	Gunther	Hoppe	Koznick
Backer	Dauids	Fenton	Hackbarth	Howe	Kresha
Barrett	Dean, M.	Franson	Hamilton	Johnson, B.	Lohmer
Bennett	Dettmer	Garofalo	Hancock	Kelly	Loon

Loonan	Miller	O'Neill	Pugh	Scott	Urdahl
Lucero	Nash	Pelowski	Quam	Smith	Vogel
Lueck	Newberger	Peppin	Rarick	Swedzinski	Whelan
Mack	Nornes	Petersburg	Runbeck	Theis	Wills
McDonald	Norton	Peterson	Sanders	Torkelson	Zerwas
McNamara	O'Driscoll	Pierson	Schomacker	Uglen	Spk. Daudt

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Winkler offered an amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

#### POINT OF ORDER

Knoblach raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Winkler amendment to the Garofalo amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Winkler amendment to the Garofalo amendment, as amended, out of order.

Murphy, E., moved to amend the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

Murphy, E., requested a division of the Murphy, E., amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

The first portion of the Murphy, E., amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment, reads as follows:

Page 3, line 5, after the period, insert "If the Minnesota Department of Human Rights makes three or more probable cause determinations of sexual harassment, as defined in section 363A.03, subdivision 43, regarding a single employer, this paragraph no longer applies to that employer and the employer must pay all employees the otherwise applicable minimum wage under this section."

The motion prevailed and the first portion of the Murphy, E., amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment, was adopted.

Murphy, E., withdrew the second portion of the Murphy, E., amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

Winkler moved to amend the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment, as follows:

Page 2, delete lines 29 to 35

Page 3, delete lines 1 to 5 and insert:

"(e) Notwithstanding paragraph (b), an employer with any employee, executive, or owner whose total annual compensation equals at least \$1,000,000 must pay each employee a wage of at least:

(1) \$15.78 per hour; and

(2) the rate established under paragraph (f) beginning January 1, 2018."

Page 3, line 12, strike "and" and after "(e)" insert "and the \$1,000,000 figure in paragraph (e)"

Page 4, delete lines 16 and 17

A roll call was requested and properly seconded.

The question was taken on the Winkler amendment to the Garofalo amendment, as amended, and the roll was called. There were 56 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Allen	Dehn, R.	Hortman	Loeffler	Nelson	Thissen
Anzelc	Dill	Johnson, C.	Mahoney	Newton	Wagenius
Applebaum	Erhardt	Johnson, S.	Mariani	Norton	Ward
Atkins	Fischer	Kahn	Masin	Persell	Winkler
Bernardy	Freiberg	Laine	Melin	Pinto	Yarusso
Bly	Halverson	Lenczewski	Metsa	Schoen	Youakim
Carlson	Hansen	Lesch	Moran	Schultz	
Clark	Hausman	Liebling	Mullery	Simonson	
Considine	Hilstrom	Lien	Murphy, E.	Slocum	
Davnie	Hornstein	Lillie	Murphy, M.	Sundin	

Those who voted in the negative were:

Albright	Drazkowski	Hertaus	Lucero	Peppin	Selcer
Anderson, P.	Erickson	Hoppe	Lueck	Petersburg	Smith
Anderson, S.	Fabian	Howe	Mack	Peterson	Swedzinski
Backer	Fenton	Isaacson	Marquart	Pierson	Theis
Baker	Franson	Johnson, B.	McDonald	Poppe	Torkelson
Barrett	Garofalo	Kelly	McNamara	Pugh	Uglem
Bennett	Green	Kiel	Miller	Quam	Urdahl
Christensen	Gruenhagen	Knoblach	Nash	Rarick	Vogel
Cornish	Gunther	Koznick	Newberger	Rosenthal	Whelan
Daniels	Hackbarth	Kresha	Nornes	Runbeck	Wills
Davids	Hamilton	Lohmer	O'Driscoll	Sanders	Zerwas
Dean, M.	Hancock	Loon	O'Neill	Schomacker	Spk. Daudt
Dettmer	Heintzeman	Loonan	Pelowski	Scott	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Moran offered an amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

#### POINT OF ORDER

Knoblach raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Moran amendment to the Garofalo amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Moran amendment to the Garofalo amendment, as amended, out of order.

Lesch offered an amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

#### POINT OF ORDER

Albright raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Lesch amendment to the Garofalo amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Lesch amendment to the Garofalo amendment, as amended, out of order.

Lesch appealed the decision of the Speaker.

A roll call was requested and properly seconded.

The vote was taken on the question "Shall the decision of the Speaker stand as the judgment of the House?" and the roll was called. There were 72 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Albright	Dettmer	Hancock	Loon	O'Driscoll	Scott
Anderson, P.	Drazkowski	Heintzeman	Loonan	O'Neill	Smith
Anderson, S.	Erickson	Hertaus	Lucero	Peppin	Swedzinski
Backer	Fabian	Hoppe	Lueck	Petersburg	Theis
Baker	Fenton	Howe	Mack	Peterson	Torkelson
Barrett	Franson	Johnson, B.	Masin	Pierson	Uglen
Bennett	Garofalo	Kelly	McDonald	Pugh	Urdahl
Christensen	Green	Kiel	McNamara	Quam	Vogel
Cornish	Gruenhagen	Knoblach	Miller	Rarick	Whelan
Daniels	Gunther	Koznick	Nash	Runbeck	Wills
Davids	Hackbarth	Kresha	Newberger	Sanders	Zerwas
Dean, M.	Hamilton	Lohmer	Nornes	Schomacker	Spk. Daudt

Those who voted in the negative were:

Allen	Dill	Johnson, C.	Mariani	Pelowski	Thissen
Anzelc	Erhardt	Johnson, S.	Marquart	Persell	Wagenius
Applebaum	Fischer	Kahn	Melin	Pinto	Ward
Atkins	Freiberg	Laine	Metsa	Poppe	Winkler
Bernardy	Halverson	Lenczewski	Moran	Rosenthal	Yarusso
Bly	Hansen	Lesch	Mullery	Schoen	Youakim
Carlson	Hausman	Liebling	Murphy, E.	Schultz	
Clark	Hilstrom	Lien	Murphy, M.	Selcer	
Considine	Hornstein	Lillie	Nelson	Simonson	
Davnie	Hortman	Loeffler	Newton	Slocum	
Dehn, R.	Isaacson	Mahoney	Norton	Sundin	

So it was the judgment of the House that the decision of the Speaker should stand.

Considine offered an amendment to the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment.

#### POINT OF ORDER

Knoblach raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Considine amendment to the Garofalo amendment, as amended, was not in order. The Speaker ruled the point of order well taken and the Considine amendment to the Garofalo amendment, as amended, out of order.

Garofalo moved to amend the Garofalo amendment, as amended, to H. F. No. 1027, the first engrossment, as follows:

Page 3, line 4, delete "This paragraph"

Page 3, delete line 5

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment to the amendment, as amended, was adopted.

#### POINT OF ORDER

Thisen raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Garofalo amendment, as amended, was not in order. The Speaker ruled the point of order not well taken and the Garofalo amendment, as amended, in order.

The question recurred on the Garofalo amendment, as amended, and the roll was called. There were 77 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Albright	Drazkowski	Hertaus	Lucero	Peppin	Selcer
Anderson, P.	Erickson	Hoppe	Lueck	Petersburg	Smith
Anderson, S.	Fabian	Howe	Mack	Peterson	Swedzinski
Backer	Fenton	Johnson, B.	McDonald	Pierson	Theis
Baker	Franson	Kelly	McNamara	Poppe	Torkelson
Barrett	Garofalo	Kiel	Miller	Pugh	Uglen
Bennett	Green	Knoblach	Nash	Quam	Urdahl
Christensen	Gruenhagen	Koznick	Newberger	Rarick	Vogel
Cornish	Gunther	Kresha	Nornes	Rosenthal	Whelan
Daniels	Hackbarth	Lien	Norton	Runbeck	Wills
Davids	Hamilton	Lohmer	O'Driscoll	Sanders	Zerwas
Dean, M.	Hancock	Loon	O'Neill	Schomacker	Spk. Daudt
Dettmer	Heintzeman	Loonan	Pelowski	Scott	

Those who voted in the negative were:

Allen	Dehn, R.	Hortman	Loeffler	Murphy, M.	Thisen
Anzelc	Dill	Isaacson	Mahoney	Nelson	Wagenius
Applebaum	Erhardt	Johnson, C.	Mariani	Newton	Ward
Atkins	Fischer	Johnson, S.	Marquart	Persell	Winkler
Bernardy	Freiberg	Kahn	Masin	Pinto	Yarusso
Bly	Halverson	Laine	Melin	Schoen	Youakim
Carlson	Hansen	Lenczewski	Metsa	Schultz	
Clark	Hausman	Lesch	Moran	Simonson	
Considine	Hilstrom	Liebling	Mullery	Slocum	
Davnie	Hornstein	Lillie	Murphy, E.	Sundin	

The motion prevailed and the amendment, as amended, was adopted.

Melin offered an amendment to H. F. No. 1027, the first engrossment, as amended.

#### POINT OF ORDER

Albright raised a point of order pursuant to rule 4.05, relating to Amendment Limits, that the Melin amendment was not in order. The Speaker ruled the point of order well taken and the Melin amendment out of order.

H. F. No. 1027 was read for the third time, as amended.

Atkins moved that H. F. No. 1027, as amended, be re-referred to the Committee on Commerce and Regulatory Reform. The motion did not prevail.

Franson was excused between the hours of 11:10 p.m. and 11:25 p.m.

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

#### MOTION TO ADJOURN

Thissen moved that the House adjourn.

A roll call was requested and properly seconded.

The question was taken on the Thissen motion and the roll was called. There were 61 yeas and 70 nays as follows:

Those who voted in the affirmative were:

Allen	Dill	Johnson, C.	Mariani	Pelowski	Thissen
Anzelc	Erhardt	Johnson, S.	Marquart	Persell	Wagenius
Applebaum	Fischer	Kahn	Masin	Pinto	Ward
Atkins	Freiberg	Laine	Melin	Poppe	Winkler
Bernardy	Halverson	Lenczewski	Metsa	Rosenthal	Yarusso
Bly	Hansen	Lesch	Moran	Schoen	Youakim
Carlson	Hausman	Liebling	Mullery	Schultz	
Clark	Hilstrom	Lien	Murphy, E.	Selcer	
Considine	Hornstein	Lillie	Murphy, M.	Simonson	
Davnie	Hortman	Loeffler	Nelson	Slocum	
Dehn, R.	Isaacson	Mahoney	Newton	Sundin	

Those who voted in the negative were:

Albright	Backer	Bennett	Daniels	Dettmer	Fabian
Anderson, P.	Baker	Christensen	Davids	Drazkowski	Fenton
Anderson, S.	Barrett	Cornish	Dean, M.	Erickson	Garofalo

Green	Howe	Loonan	Nornes	Rarick	Uglem
Gruenhagen	Johnson, B.	Lucero	O'Driscoll	Runbeck	Urdahl
Gunther	Kelly	Lueck	O'Neill	Sanders	Vogel
Hackbarth	Kiel	Mack	Peppin	Schomacker	Whelan
Hamilton	Knoblach	McDonald	Petersburg	Scott	Wills
Hancock	Koznick	McNamara	Peterson	Smith	Zerwas
Heintzeman	Kresha	Miller	Pierson	Swedzinski	Spk. Daudt
Hertaus	Lohmer	Nash	Pugh	Theis	
Hoppe	Loon	Newberger	Quam	Torkelson	

The motion did not prevail.

H. F. No. 1027, A bill for an act relating to employment; modifying the minimum wage for certain employees receiving gratuities; amending Minnesota Statutes 2014, section 177.24, subdivision 1, by adding a subdivision; repealing Minnesota Statutes 2014, section 177.24, subdivision 2.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 78 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Albright	Drazkowski	Heintzeman	Loonan	Pelowski	Scott
Anderson, P.	Erhardt	Hertaus	Lucero	Peppin	Selcer
Anderson, S.	Erickson	Hoppe	Lueck	Petersburg	Smith
Backer	Fabian	Howe	Mack	Peterson	Swedzinski
Baker	Fenton	Johnson, B.	McDonald	Pierson	Theis
Barrett	Franson	Kelly	McNamara	Poppe	Torkelson
Bennett	Garofalo	Kiel	Miller	Pugh	Uglem
Christensen	Green	Knoblach	Nash	Quam	Urdahl
Cornish	Gruenhagen	Koznick	Newberger	Rarick	Vogel
Daniels	Gunther	Kresha	Nornes	Rosenthal	Whelan
Davids	Hackbarth	Lien	Norton	Runbeck	Wills
Dean, M.	Hamilton	Lohmer	O'Driscoll	Sanders	Zerwas
Dettmer	Hancock	Loon	O'Neill	Schomacker	Spk. Daudt

Those who voted in the negative were:

Allen	Dehn, R.	Isaacson	Mahoney	Nelson	Wagenius
Anzelc	Dill	Johnson, C.	Mariani	Newton	Ward
Applebaum	Fischer	Johnson, S.	Marquart	Persell	Winkler
Atkins	Freiberg	Kahn	Masin	Pinto	Yarusso
Bernardy	Halverson	Laine	Melin	Schoen	Youakim
Bly	Hansen	Lenczewski	Metsa	Schultz	
Carlson	Hausman	Lesch	Moran	Simonson	
Clark	Hilstrom	Liebling	Mullery	Slocum	
Considine	Hornstein	Lillie	Murphy, E.	Sundin	
Davnie	Hortman	Loeffler	Murphy, M.	Thissen	

The bill was passed, as amended, and its title agreed to.

H. F. No. 889 was reported to the House.

H. F. No. 889 was read for the third time.

Hilstrom moved that H. F. No. 889 be re-referred to the Committee on Public Safety and Crime Prevention Policy and Finance. The motion prevailed.

### **MOTIONS AND RESOLUTIONS**

Hamilton moved that the name of Loeffler be added as an author on H. F. No. 97. The motion prevailed.

Fabian moved that the name of Hamilton be added as an author on H. F. No. 307. The motion prevailed.

Torkelson moved that the name of Loeffler be added as an author on H. F. No. 390. The motion prevailed.

Zerwas moved that the names of Fischer and Hamilton be added as authors on H. F. No. 425. The motion prevailed.

Kelly moved that the name of Loeffler be added as an author on H. F. No. 445. The motion prevailed.

Hansen moved that the name of Johnson, C., be added as an author on H. F. No. 577. The motion prevailed.

Anderson, P., moved that the name of Loeffler be added as an author on H. F. No. 685. The motion prevailed.

Pierson moved that the name of Pugh be added as an author on H. F. No. 698. The motion prevailed.

Howe moved that the name of Pugh be added as an author on H. F. No. 745. The motion prevailed.

Hamilton moved that the names of Gruenhagen and Poppe be added as authors on H. F. No. 749. The motion prevailed.

Pierson moved that the name of Loeffler be added as an author on H. F. No. 778. The motion prevailed.

Youakim moved that the name of Loeffler be added as an author on H. F. No. 805. The motion prevailed.

Gunther moved that the name of Atkins be added as an author on H. F. No. 809. The motion prevailed.

Mullery moved that the name of Pugh be added as an author on H. F. No. 827. The motion prevailed.

Dettmer moved that the name of Murphy, M., be added as an author on H. F. No. 841. The motion prevailed.

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

Norton moved that the name of Pugh be added as an author on H. F. No. 1056. The motion prevailed.

Garofalo moved that the name of O'Neill be added as an author on H. F. No. 1085. The motion prevailed.

Loonan moved that the name of Lohmer be added as an author on H. F. No. 1099. The motion prevailed.

Zerwas moved that the name of Hamilton be added as an author on H. F. No. 1151. The motion prevailed.

Barrett moved that the name of Loeffler be added as an author on H. F. No. 1209. The motion prevailed.

Hackbarth moved that the names of Halverson, Atkins, Pugh and Johnson, C., be added as authors on H. F. No. 1354. The motion prevailed.

Metsa moved that the name of Lien be added as an author on H. F. No. 1405. The motion prevailed.

Smith moved that the name of Lien be added as an author on H. F. No. 1416. The motion prevailed.

Daniels moved that the name of Lien be added as an author on H. F. No. 1425. The motion prevailed.

Isaacson moved that the name of Johnson, C., be added as an author on H. F. No. 1426. The motion prevailed.

Moran moved that the name of Pinto be added as an author on H. F. No. 1428. The motion prevailed.

Kiel moved that the name of Loeffler be added as an author on H. F. No. 1447. The motion prevailed.

Drazkowski moved that the name of Backer be added as an author on H. F. No. 1450. The motion prevailed.

Peterson moved that the name of Loeffler be added as an author on H. F. No. 1515. The motion prevailed.

Rosenthal moved that the name of Nornes be added as an author on H. F. No. 1530. The motion prevailed.

Miller moved that the names of Vogel, O'Neill and Peppin be added as authors on H. F. No. 1546. The motion prevailed.

Newberger moved that the name of Lien be added as an author on H. F. No. 1563. The motion prevailed.

Hamilton moved that the name of Lien be added as an author on H. F. No. 1587. The motion prevailed.

Backer moved that the name of Loeffler be added as an author on H. F. No. 1632. The motion prevailed.

Baker moved that the name of Loeffler be added as an author on H. F. No. 1653. The motion prevailed.

Pierson moved that the name of Loon be added as an author on H. F. No. 1714. The motion prevailed.

Isaacson moved that the name of Lien be added as an author on H. F. No. 1768. The motion prevailed.

Schoen moved that the name of Hamilton be added as an author on H. F. No. 1907. The motion prevailed.

Hamilton moved that the name of Pinto be added as an author on H. F. No. 1930. The motion prevailed.

Whelan moved that the name of Lucero be added as an author on H. F. No. 1949. The motion prevailed.

Hausman moved that the names of Yarusso and Lucero be added as authors on H. F. No. 1954. The motion prevailed.

Nash moved that the name of Lucero be added as an author on H. F. No. 1971. The motion prevailed.

Fenton moved that the name of Lucero be added as an author on H. F. No. 1981. The motion prevailed.

Dehn, R., moved that the name of Mariani be added as an author on H. F. No. 1986. The motion prevailed.

McDonald moved that the name of Lucero be added as an author on H. F. No. 2017. The motion prevailed.

Marquart moved that the name of Wagenius be added as an author on H. F. No. 2018. The motion prevailed.

Pugh moved that the names of Kresha and Lucero be added as authors on H. F. No. 2028. The motion prevailed.

Quam moved that the name of Gruenhagen be added as an author on H. F. No. 2034. The motion prevailed.

Bernardy moved that the name of Youakim be added as an author on H. F. No. 2036. The motion prevailed.

Hausman moved that the names of Fischer and Johnson, C., be added as authors on H. F. No. 2045. The motion prevailed.

Albright moved that the names of Pugh and Lucero be added as authors on H. F. No. 2050. The motion prevailed.

Anderson, S., moved that H. F. No. 419 be recalled from the Committee on Health and Human Services Reform and be re-referred to the Committee on Taxes. The motion prevailed.

Zerwas moved that H. F. No. 1116, now on the General Register, be re-referred to the Committee on Taxes. The motion prevailed.

Daniels moved that H. F. No. 1152 be recalled from the Committee on Health and Human Services Finance and be re-referred to the Committee on Health and Human Services Reform. The motion prevailed.

McDonald moved that H. F. No. 1322 be recalled from the Committee on Environment and Natural Resources Policy and Finance and be re-referred to the Committee on Taxes.

A roll call was requested and properly seconded.

The question was taken on the McDonald motion and the roll was called. There were 79 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Albright	Dauids	Gruenhagen	Johnson, B.	Lucero	Nornes
Anderson, P.	Dean, M.	Gunther	Kelly	Lueck	O'Driscoll
Anderson, S.	Dettmer	Hackbarth	Kiel	Mack	O'Neill
Backer	Drazkowski	Hamilton	Knoblach	Marquart	Pelowski
Baker	Erickson	Hancock	Koznick	McDonald	Peppin
Barrett	Fabian	Heintzeman	Kresha	McNamara	Petersburg
Bennett	Fenton	Hertaus	Lenczewski	Miller	Peterson
Christensen	Franson	Hilstrom	Lohmer	Nash	Pierson
Cornish	Garofalo	Hoppe	Loon	Newberger	Pugh
Daniels	Green	Howe	Loonan	Newton	Quam

Rarick	Schomacker	Swedzinski	Uglem	Wills
Rosenthal	Scott	Theis	Urdahl	Zerwas
Runbeck	Selcer	Thissen	Vogel	Spk. Daudt
Sanders	Smith	Torkelson	Whelan	

Those who voted in the negative were:

Allen	Dehn, R.	Isaacson	Loeffler	Murphy, M.	Slocum
Anzelc	Erhardt	Johnson, C.	Mahoney	Nelson	Sundin
Applebaum	Fischer	Johnson, S.	Mariani	Norton	Wagenius
Atkins	Freiberg	Kahn	Masin	Persell	Ward
Bernardy	Halverson	Laine	Melin	Pinto	Winkler
Bly	Hansen	Lesch	Metsa	Poppe	Yarusso
Carlson	Hausman	Liebling	Moran	Schoen	Youakim
Clark	Hornstein	Lien	Mullery	Schultz	
Davnie	Hortman	Lillie	Murphy, E.	Simonson	

The motion prevailed.

Quam moved that H. F. No. 1712 be recalled from the Committee on Education Innovation Policy and be re-referred to the Committee on Education Finance. The motion prevailed.

#### PROTEST AND DISSENT

Pursuant to Article IV, Section 11 of the Minnesota Constitution, we the undersigned Members of the Minnesota House of Representatives register our protest and dissent against Speaker Daudt for his actions that were injurious to the maintenance of democratic liberty in the legislative branch.

On Thursday, March 19<sup>th</sup> Speaker Daudt took actions that were in direct conflict with House Rules and custom and usage. Speaker Daudt used his position to stifle the voice of the minority.

Speaker Daudt flagrantly defied the Rules of the House and closed voting without all members having voted, even though the House was under call and no motion to excuse members was offered by any member of the chamber. His actions were autocratic and brought his conduct as Presider of the House under disrepute.

Speaker Daudt also knowingly and willfully failed to recognize Representative Thissen's request for a roll call on Rep. Knobloch's motion to adjourn the House.

On the basis of the foregoing reasons, we the undersigned Members of the Minnesota House Of Representatives admonish Speaker Daudt for his actions and conduct as Presider of the House and ask that he formally apologize to the House for his actions against the minority.

Further, pursuant to Article IV, Section 11 of the Minnesota Constitution, we direct that our protest and dissent be entered into the Journal of the House of Representatives.

Signed:

PAUL THISSEN  
PAUL MARQUART  
TIM MAHONEY

CLARK JOHNSON  
ERIK SIMONSON  
YVONNE SELCER

JASON METSA  
SHELDON JOHNSON  
PAUL ROSENTHAL  
ERIN MURPHY  
LYNDON CARLSON  
JEAN WAGENIUS  
DAVE PINTO  
RAYMOND DEHN  
JIM DAVNIE  
RON ERHARDT  
LAURIE HALVERSON  
DIANE LOEFFLER  
CARLY MELIN  
JON APPLEBAUM  
BEN LIEN  
JENNIFER SCHULTZ  
KIM NORTON  
SANDRA MASIN

JOHN CONSIDINE  
MIKE SUNDIN  
PETER FISCHER  
JOHN PERSELL  
CAROLYN LAINE  
JOE MULLERY  
LINDA SLOCUM  
MICHAEL NELSON  
FRANK HORNSTEIN  
PHYLLIS KAHN  
KAREN CLARK  
JOANN WARD  
DAN SCHOEN  
JERRY NEWTON  
RYAN WINKLER  
TINA LIEBLING  
DAVID BLY

#### ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 12:15 p.m., Wednesday, March 25, 2015. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:15 p.m., Wednesday, March 25, 2015.

PATRICK D. MURPHY, Chief Clerk, House of Representatives