

STATE OF MINNESOTA

EIGHTY-NINTH SESSION-2016

 SEVENTY-SIXTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MARCH 31, 2016

The House of Representatives convened at 4:00 p.m. and was called to order by Kurt Daudt, Speaker of the House.

Prayer was offered by the Reverend Dr. Jules Erickson, All Saints Lutheran Church, Cottage Grove, 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:

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

A quorum was present.

Albright; Allen; Anderson, M.; Flanagan; Hoppe; Hortman; Melin; Miller and Newberger were excused.

Bernardy was excused until 4:25 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 2016 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 2016</i>	<i>Date Filed 2016</i>
1646		83	11:26 a.m. March 31	March 31

Sincerely,

STEVE SIMON
Secretary of State

REPORTS OF STANDING COMMITTEES AND DIVISIONS

Loon from the Committee on Education Finance to which was referred:

H. F. No. 1368, A bill for an act relating to taxation; income; prekindergarten educational programs; providing a tax credit for contributions to qualified foundations; amending Minnesota Statutes 2014, section 290.01, subdivisions 19a, 19c; 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. Minnesota Statutes 2014, section 124D.13, subdivision 6, is amended to read:

Subd. 6. **Participants' fees.** A district must establish a reasonable sliding fee scale, and must accept education scholarships funded by contributions that qualify for the tax credit in section 290.0682, but it shall waive the fee for a participant who is unable to pay and does not have a scholarship.

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

Sec. 2. Minnesota Statutes 2014, section 124D.15, subdivision 12, is amended to read:

Subd. 12. **Program fees.** A district must adopt a sliding fee schedule based on a family's income, and must accept education scholarships funded by contributions that qualify for the tax credit in section 290.0682, but must waive a fee for a participant who is unable to pay and does not have a scholarship. School districts must use school readiness aid for eligible children. Children who do not meet the eligibility requirements in subdivision 15 may participate on a fee-for-service basis.

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

Sec. 3. Minnesota Statutes 2014, section 290.01, subdivision 19a, is amended to read:

Subd. 19a. **Additions to federal taxable income.** For individuals, estates, and trusts, there shall be added to federal taxable income:

(1)(i) interest income on obligations of any state other than Minnesota or a political or governmental subdivision, municipality, or governmental agency or instrumentality of any state other than Minnesota exempt from federal income taxes under the Internal Revenue Code or any other federal statute; and

(ii) exempt-interest dividends as defined in section 852(b)(5) of the Internal Revenue Code, except:

(A) the portion of the exempt-interest dividends exempt from state taxation under the laws of the United States; and

(B) the portion of the exempt-interest dividends derived from interest income on obligations of the state of Minnesota or its political or governmental subdivisions, municipalities, governmental agencies or instrumentalities, but only if the portion of the exempt-interest dividends from such Minnesota sources paid to all shareholders represents 95 percent or more of the exempt-interest dividends, including any dividends exempt under subitem (A), that are paid by the regulated investment company as defined in section 851(a) of the Internal Revenue Code, or the fund of the regulated investment company as defined in section 851(g) of the Internal Revenue Code, making the payment; and

(iii) for the purposes of items (i) and (ii), interest on obligations of an Indian tribal government described in section 7871(c) of the Internal Revenue Code shall be treated as interest income on obligations of the state in which the tribe is located;

(2) the amount of income, sales and use, motor vehicle sales, or excise taxes paid or accrued within the taxable year under this chapter and the amount of taxes based on net income paid, sales and use, motor vehicle sales, or excise taxes paid to any other state or to any province or territory of Canada, to the extent allowed as a deduction under section 63(d) of the Internal Revenue Code, but the addition may not be more than the amount by which the state itemized deduction exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, minus any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction. For the purpose of this clause, income, sales and use, motor vehicle sales, or excise taxes are the last itemized deductions disallowed under clause (15);

(3) the capital gain amount of a lump-sum distribution to which the special tax under section 1122(h)(3)(B)(ii) of the Tax Reform Act of 1986, Public Law 99-514, applies;

(4) the amount of income taxes paid or accrued within the taxable year under this chapter and taxes based on net income paid to any other state or any province or territory of Canada, to the extent allowed as a deduction in determining federal adjusted gross income. For the purpose of this paragraph, income taxes do not include the taxes imposed by sections 290.0922, subdivision 1, paragraph (b), 290.9727, 290.9728, and 290.9729;

(5) the amount of expense, interest, or taxes disallowed pursuant to section 290.10 other than expenses or interest used in computing net interest income for the subtraction allowed under subdivision 19b, clause (1);

(6) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(7) 80 percent of the depreciation deduction allowed under section 168(k) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k) is allowed;

(8) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(9) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(10) the amount of expenses disallowed under section 290.10, subdivision 2;

(11) for taxable years beginning before January 1, 2010, the amount deducted for qualified tuition and related expenses under section 222 of the Internal Revenue Code, to the extent deducted from gross income;

(12) for taxable years beginning before January 1, 2010, the amount deducted for certain expenses of elementary and secondary school teachers under section 62(a)(2)(D) of the Internal Revenue Code, to the extent deducted from gross income;

(13) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code;

(14) changes to federal taxable income attributable to a net operating loss that the taxpayer elected to carry back for more than two years for federal purposes but for which the losses can be carried back for only two years under section 290.095, subdivision 11, paragraph (c);

(15) the amount of disallowed itemized deductions, but the amount of disallowed itemized deductions plus the addition required under clause (2) may not be more than the amount by which the itemized deductions as allowed under section 63(d) of the Internal Revenue Code exceeds the amount of the standard deduction as defined in section 63(c) of the Internal Revenue Code, and reduced by any addition that would have been required under clause (17) if the taxpayer had claimed the standard deduction:

(i) the amount of disallowed itemized deductions is equal to the lesser of:

(A) three percent of the excess of the taxpayer's federal adjusted gross income over the applicable amount; or

(B) 80 percent of the amount of the itemized deductions otherwise allowable to the taxpayer under the Internal Revenue Code for the taxable year;

(ii) the term "applicable amount" means \$100,000, or \$50,000 in the case of a married individual filing a separate return. Each dollar amount shall be increased by an amount equal to:

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof;

(iii) the term "itemized deductions" does not include:

(A) the deduction for medical expenses under section 213 of the Internal Revenue Code;

(B) any deduction for investment interest as defined in section 163(d) of the Internal Revenue Code; and

(C) the deduction under section 165(a) of the Internal Revenue Code for casualty or theft losses described in paragraph (2) or (3) of section 165(c) of the Internal Revenue Code or for losses described in section 165(d) of the Internal Revenue Code;

(16) the amount of disallowed personal exemptions for taxpayers with federal adjusted gross income over the threshold amount:

(i) the disallowed personal exemption amount is equal to the number of personal exemptions allowed under section 151(b) and (c) of the Internal Revenue Code multiplied by the dollar amount for personal exemptions under section 151(d)(1) and (2) of the Internal Revenue Code, as adjusted for inflation by section 151(d)(4) of the Internal Revenue Code, and by the applicable percentage;

(ii) "applicable percentage" means two percentage points for each \$2,500 (or fraction thereof) by which the taxpayer's federal adjusted gross income for the taxable year exceeds the threshold amount. In the case of a married individual filing a separate return, the preceding sentence shall be applied by substituting "\$1,250" for "\$2,500." In no event shall the applicable percentage exceed 100 percent;

(iii) the term "threshold amount" means:

(A) \$150,000 in the case of a joint return or a surviving spouse;

(B) \$125,000 in the case of a head of a household;

(C) \$100,000 in the case of an individual who is not married and who is not a surviving spouse or head of a household; and

(D) \$75,000 in the case of a married individual filing a separate return; and

(iv) the thresholds shall be increased by an amount equal to:

(A) such dollar amount, multiplied by

(B) the cost-of-living adjustment determined under section 1(f)(3) of the Internal Revenue Code for the calendar year in which the taxable year begins, by substituting "calendar year 1990" for "calendar year 1992" in subparagraph (B) thereof; and

(17) to the extent deducted in the computation of federal taxable income, for taxable years beginning after December 31, 2010, and before January 1, 2014, the difference between the standard deduction allowed under section 63(c) of the Internal Revenue Code and the standard deduction allowed for 2011, 2012, and 2013 under the Internal Revenue Code as amended through December 1, 2010; and

(18) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions to a qualified foundation under section 290.0682.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2015.

Sec. 4. Minnesota Statutes 2014, section 290.01, subdivision 19c, is amended to read:

Subd. 19c. **Corporations; additions to federal taxable income.** For corporations, there shall be added to federal taxable income:

(1) the amount of any deduction taken for federal income tax purposes for income, excise, or franchise taxes based on net income or related minimum taxes, including but not limited to the tax imposed under section 290.0922, paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or any foreign country or possession of the United States;

(2) interest not subject to federal tax upon obligations of: the United States, its possessions, its agencies, or its instrumentalities; the state of Minnesota or any other state, any of its political or governmental subdivisions, any of its municipalities, or any of its governmental agencies or instrumentalities; the District of Columbia; or Indian tribal governments;

(3) exempt-interest dividends received as defined in section 852(b)(5) of the Internal Revenue Code;

(4) the amount of any net operating loss deduction taken for federal income tax purposes under section 172 or 832(c)(10) of the Internal Revenue Code or operations loss deduction under section 810 of the Internal Revenue Code;

(5) the amount of any special deductions taken for federal income tax purposes under sections 241 to 247 and 965 of the Internal Revenue Code;

(6) losses from the business of mining, as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota income tax;

(7) the amount of any capital losses deducted for federal income tax purposes under sections 1211 and 1212 of the Internal Revenue Code;

(8) the amount of percentage depletion deducted under sections 611 through 614 and 291 of the Internal Revenue Code;

(9) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, the amount of the amortization deduction allowed in computing federal taxable income for those facilities;

(10) the amount of a partner's pro rata share of net income which does not flow through to the partner because the partnership elected to pay the tax on the income under section 6242(a)(2) of the Internal Revenue Code;

(11) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of Division C, title III, section 303(b) of Public Law 110-343;

(12) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;

(13) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

(14) to the extent deducted in computing federal taxable income, the amount of the deduction allowable under section 199 of the Internal Revenue Code;

(15) the amount of expenses disallowed under section 290.10, subdivision 2; and

(16) discharge of indebtedness income resulting from reacquisition of business indebtedness and deferred under section 108(i) of the Internal Revenue Code; and

(17) the amount of the deduction under section 170 of the Internal Revenue Code that represents contributions to a qualified foundation under section 290.0682.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2015.

Sec. 5. **[290.0682] EQUITY AND OPPORTUNITY IN EDUCATION TAX CREDIT.**

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

(b) "Eligible child" means a child who:

(1) either:

(i) is a member of a family that meets the income eligibility requirements for early learning scholarships in section 124D.165, subdivision 2, paragraph (a), clause (2), without regard to the age of the child; or

(ii) previously received a qualified scholarship under this section;

(2) resides in Minnesota; and

(3) either:

(i) attended a public, nonpublic, or charter school in the semester preceding initial receipt of a qualified scholarship;

(ii) is starting school in Minnesota for the first time; or

(iii) has neither entered elementary school nor reached seven years of age.

(c) "Equity and opportunity donation" means a donation to a qualified foundation that awards qualified scholarships.

(d) "Nonmetropolitan counties" means all Minnesota counties not included in the seven-county metropolitan area.

(e) "Qualified foundation" means a nonprofit organization granted an exemption from the federal income tax under section 501(c)(3) of the Internal Revenue Code, a public school under section 120A.22, subdivision 4, or a nonpublic school under section 120A.22, subdivision 4, that is accredited by an accrediting agency, recognized according to section 123B.445, or recognized by the commissioner of education as complying with the requirements of the equity and opportunity in education tax credit. The nonprofit organization or school must:

(1) award scholarships to children to allow them to attend any qualified prekindergarten educational program or qualified school of their parents' choice;

(2) not restrict the availability of scholarships to students of one program;

(3) not charge a fee of any kind to children under consideration for a scholarship; and

(4) require qualified prekindergarten educational programs and qualified schools receiving payment of tuition through a scholarship funded by contributions qualifying for the tax credit under this section to sign an agreement that it will not use different admissions standards for a student with a scholarship from a qualified foundation.

(f) "Qualified prekindergarten educational program" means a program that participates in a quality rating system such as the quality rating and improvement system under section 124D.12, and is one of the following:

(1) a prekindergarten program established by a school district or a charter school under chapter 124D;

(2) a preschool, nursery school, or early childhood development program licensed by the Department of Human Services and eligible for the provider rate differential for accreditation under section 119B.13, subdivision 3a;

(3) a Montessori program affiliated with or accredited by the American Montessori Society or American Montessori International;

(4) a child care program provided by a family day care provider holding a current early childhood development credential approved by the commissioner of human services;

(5) an early childhood family education program under section 124D.13; or

(6) a school readiness program under section 124D.15.

(g) "Qualified scholarship" means a payment from a qualified foundation to or on behalf of the parent or guardian of an eligible child for payment of the cost of participation in a qualified prekindergarten educational program or of attendance at a qualified school.

(h) "Qualified school" means a school operated in Minnesota that is either:

(1) a nonpublic elementary or secondary school in Minnesota wherein a resident may legally fulfill the state's compulsory attendance laws, that is not operated for profit, and that adheres to the provisions of United States Code, title 42, section 1981; or

(2) a charter elementary or secondary school in Minnesota that has at least 30 percent of its students who qualify for a reduced-price meal under the National School Lunch Program.

(i) "Seven-county metropolitan area" means Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington Counties.

Subd. 2. Credit allowed; limitation; carryover. (a) An individual or corporate taxpayer is allowed a credit against the tax due under this chapter equal to 80 percent of the amount donated to a qualified foundation during the taxable year. The credit may not be claimed for contributions designated for the use of a specific student.

(b) The maximum annual credit allowed is:

(1) \$20,000 for married joint filers for a one-year donation of \$25,000;

(2) \$10,000 for other individual filers for a one-year donation of \$12,500; and

(3) \$100,000 for corporate filers for a one-year donation of \$125,000.

(c) A taxpayer must provide a copy of the receipt provided by the qualified foundation when claiming the credit for the donation.

(d) The credit is limited to the liability for tax under this chapter, including the tax imposed by sections 290.0921 and 290.0922.

(e) If the amount of the credit under this subdivision for any taxable year exceeds the limitations under paragraph (d), the excess is a credit carryover to each of the five succeeding taxable years. The entire amount of the excess unused credit for the taxable year must be carried first to the earliest of the taxable years to which the credit may be carried. The amount of the unused credit that may be added under this paragraph may not exceed the taxpayer's liability for tax, less the credit for the taxable year. No credit may be carried to a taxable year more than five years after the taxable year in which the credit was earned.

Subd. 3. Application for credit certificate. (a) A taxpayer must apply to the commissioner for an equity and opportunity in education tax credit certificate. Tax credit certificates under this section must be made available on a first-come, first-served basis until the maximum statewide credit amount has been reached. The maximum statewide credit amounts are:

(1) \$10,000,000 per taxable year for contributions for use by qualified foundations to provide qualified scholarships in the seven-county metropolitan area; and

(2) \$10,000,000 per taxable year for contributions for use by qualified foundations to provide qualified scholarships in nonmetropolitan counties.

(b) The commissioner must not issue a tax credit certificate for an amount greater than the limits under subdivision 2.

Subd. 4. Responsibilities of qualified foundations. (a) Each qualified foundation that receives donations directly from taxpayers under this section must:

(1) notify the commissioner of the qualified foundation's intent to participate in this program;

(2) demonstrate to the commissioner that the qualified foundation, if it is a nonprofit organization, has been granted an exemption from the federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code;

(3) provide a receipt or verification on a form prescribed by the commissioner to taxpayers for donations and commitments made to the qualified foundation;

(4) conduct criminal background checks on all of the qualified foundation's employees and board members and exclude from employment or governance any individuals who might reasonably pose a risk to the appropriate use of contributed funds;

(5) demonstrate the qualified foundation's financial accountability by:

(i) submitting a financial information report for the organization that complies with uniform financial accounting standards established by the commissioner and conducted by a certified public accountant; and

(ii) having the auditor certify that the report is free of material misstatements;

(6) demonstrate the qualified foundation's financial viability, if it receives donations of \$150,000 or more during the school year, by filing financial information with the commissioner prior to September 1 of each year that demonstrates the financial viability of the qualified foundation;

(7) consistent with paragraph (c), use amounts received as donations to provide qualified scholarships within one calendar year of the calendar year in which it receives the donation; and

(8) ensure that qualified prekindergarten educational programs and qualified schools that enroll children who have received qualified scholarships:

(i) comply with all health and safety laws or codes;

(ii) hold a valid occupancy permit if required by its municipality;

(iii) certify that the qualified prekindergarten educational program or qualified school does not discriminate in admissions on the basis of race, color, national origin, religion, or disability and adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A; and

(iv) provide accountability to parents of children in the program or school by regularly reporting to the parents on the child's progress.

(b) A qualified foundation that receives donations directly from taxpayers under this program must report to the commissioner by June 1 of each year the following information prepared by a certified public accountant regarding the qualified foundation's grants in the previous calendar year:

(1) the total number and total dollar amount of donations from taxpayers received during the previous calendar year;

(2) the total number and total dollar amount of qualified scholarships awarded during the previous calendar year; and

(3) the dollar amount of donations used for administrative expenses, as provided by paragraph (c).

(c) A qualified foundation may use up to five percent of the amounts received as donations for reasonable administrative expenses.

(d) If the commissioner decides to bar a qualified foundation from the program for failure to comply with the requirements in paragraph (a), clauses (1) to (8), the qualified foundation must notify taxpayers who have donated to the qualified foundation in writing within 30 days.

Subd. 5. **Responsibilities of commissioner.** (a) The commissioner must prescribe a standardized format for a receipt to be issued by a qualified foundation to a taxpayer to indicate the value of a donation received.

(b) The commissioner must prescribe a standardized format for qualified foundations to report the information required under subdivision 4.

(c) The commissioner must post on the department's Web site the names and addresses of qualified foundations and regularly update the names and addresses of any qualified foundations that have been barred from participating in the program.

(d) The commissioner may conduct either a financial review or audit of a qualified foundation upon finding evidence of fraud or intentional misreporting.

(e) The commissioner may bar a qualified foundation from participating in the program if the commissioner establishes that the qualified foundation has intentionally and substantially failed to comply with the requirements in subdivision 4. If the commissioner determines that a qualified foundation should be barred from the program, the commissioner must notify the qualified foundation within 60 days of that determination.

EFFECTIVE DATE. This section is effective for taxable years beginning after December 31, 2015.

Sec. 6. **EVALUATION OF EQUITY AND OPPORTUNITY IN EDUCATION TAX CREDIT PROGRAM.**

(a) No later than December 31, 2018, the commissioner of revenue, after consultation with the commissioner of education, shall contract with a qualified outside entity or individual to evaluate the effects of the equity and opportunity in education tax credit. The program evaluation must be completed by January 2020 and provided to the chairs and ranking minority members of the legislative committees having jurisdiction over taxes and prekindergarten education in the senate and the house of representatives in compliance with Minnesota Statutes, sections 3.195 and 3.197. The program evaluation must include, in addition to any other matters the commissioner considers relevant to evaluating the effectiveness of the credit, analysis of:

(1) the level of parental and family satisfaction with the program; and

(2) the impact of the program on public and private prekindergarten and K-12 educational program capacity, availability, and quality.

(b) The researchers who conduct the study must:

(1) apply appropriate analytical and behavioral science methodologies to ensure public confidence in the study; and

(2) protect the identity of participating prekindergarten educational programs, K-12 schools, and children by, among other things, keeping anonymous all disaggregated data other than that for the categories of gender, race, and ethnicity.

(c) Participating prekindergarten educational programs and qualified schools must cooperate with the research effort by providing any data necessary to complete the study.

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

Delete the title and insert:

"A bill for an act relating to taxation; income; providing a credit for donations to fund prekindergarten educational programs; requiring districts to accept scholarships funded by donations; requiring a report; amending Minnesota Statutes 2014, sections 124D.13, subdivision 6; 124D.15, subdivision 12; 290.01, subdivisions 19a, 19c; proposing coding for new law in Minnesota Statutes, chapter 290."

With the recommendation that when so amended the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 2104, A bill for an act relating to metropolitan government; establishing a Blue Ribbon Commission to study and make recommendations on metropolitan governance; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **BLUE RIBBON COMMISSION ON THE METROPOLITAN COUNCIL.**

Subdivision 1. **Blue Ribbon Commission on the Metropolitan Council established.** The Blue Ribbon Commission on the Metropolitan Council is established to study the needs of the region and make recommendations to the legislature and the governor on the powers, duties, functions, and responsibilities that the Metropolitan Council should have, the appropriate relationship the Metropolitan Council should have with metropolitan area local governments, and the appropriate governance structure to support and enhance those powers, duties, functions, and relationships.

Subd. 2. **Authority; duties.** (a) Among any other topics that the commission determines are useful for informing the commission's understanding and recommendations for the Metropolitan Council's powers, duties, functions, and relationships, the commission shall study:

- (1) the history and development of regional government in the metropolitan area;
 - (2) goals of local and regional government, whether they are appropriate goals, and obstacles to achieving those goals;
 - (3) how to ensure adequate and appropriate accountability of the council to the region and to the constituent local governments and residents of the region; and
 - (4) whether long-term regional planning is compatible with operation of major regional systems.
- (b) The commission shall conduct meetings and hearings to gather information and analysis.
- (c) The commission shall consult with all interested parties, including but not limited to:
- (1) local elected officials and staff of metropolitan area cities, counties, and towns;

(2) the Metropolitan Council;

(3) state agencies that coordinate planning or services with or issue permits to the Metropolitan Council;

(4) academics with expertise and interest in regional government models and local-regional government relations;

(5) former chairs of the Metropolitan Council; and

(6) other former state or regional officials with experience with and interest in regional government and local-regional relations.

(d) The commission shall report the results of its study to the chairs and ranking minority members of the legislative committees with jurisdiction over the Metropolitan Council and to the governor by March 15, 2017. The report may be in the form of proposed legislation.

Subd. 3. Members. The commission shall consist of the following members:

(1) three state representatives appointed by the speaker of the house, at least one each from the majority and minority caucuses;

(2) three state senators appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, at least one each from the majority and minority caucuses;

(3) seven public members, one from each of the metropolitan counties, who may be but are not required to be local elected officials; three must be appointed by the senate Subcommittee on Committees of the Committee on Rules and Administration, three must be appointed by the speaker of the house, and one must be appointed by the governor. Appointments under this clause must be made as provided in Minnesota Statutes, section 15.0597. Appointing authorities are encouraged to consult with each other in making their respective appointments in order to ensure that appointees represent the diverse economic, social, and racial population of the metropolitan area, have diverse interests in and experience with local and regional government, and have diverse relevant expertise.

Appointments must be made as soon as practicable after the effective date of this section.

Subd. 4. Chairs. The legislative appointing authorities shall each designate a legislative appointee to serve as cochair of the commission.

Subd. 5. Meetings; staff. Meetings of the commission are subject to Minnesota Statutes, chapter 13D. The Legislative Coordinating Commission shall provide administrative support to the commission, including posting meeting notices on the legislative Web site. Legislative staff, the Metropolitan Council, and state agencies shall provide assistance when requested by the commission. The Legislative Coordinating Commission may accept gifts, as provided in Minnesota Statutes, section 3.303, to support the work of the Blue Ribbon Commission.

Subd. 6. Compensation; expenses. Legislative members of the commission may be compensated as provided by the respective bodies of the legislature. Public members of the commission shall not receive compensation, but must be reimbursed for expenses as provided in Minnesota Statutes, section 15.0575, subdivision 3.

Subd. 7. Appropriation. \$..... in fiscal year 2017 is appropriated from the general fund to the Legislative Coordinating Commission to pay the costs of the commission. This appropriation is available until June 30, 2018.

Subd. 8. **Expiration.** The commission expires June 30, 2017.

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.

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

H. F. No. 2140, A bill for an act relating to human services; requiring the commissioner of human services to establish a Web application to compare prescription drug prices; amending Minnesota Statutes 2014, section 256.01, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 8, delete "40" and insert "41"

Page 1, after line 15, insert:

"Sec. 2. **REPORTING ON HEALTH CARE COSTS AND SERVICE VOLUME.**

\$...... in fiscal year 2017 is appropriated from the general fund to the commissioner of health to contract with Minnesota Community Measurement. The contract shall require Minnesota Community Measurement to increase the number of procedures, tests, and services for which average cost information is collected from clinics, medical groups, and hospitals and made available to the public on the organization's Web site. The contract must also require that Minnesota Community Measurement make available to the public on the organization's Web site the volume of procedures, tests, and services provided at clinics, medical groups, and hospitals for those procedures, tests, and services for which service volume is related to the quality of care."

Amend the title as follows:

Page 1, line 3, after "prices;" insert "requiring a report; 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.

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

H. F. No. 2322, A bill for an act relating to health; creating licensing for the practice of clinical lactation services; establishing fees; requiring a report; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the following amendments:

Page 1, line 8, delete everything after "use" and insert "protected titles."

Page 2, after line 6, insert:

"Subd. 4. **Certified lactation counselor, advanced lactation consultant, or advanced nurse lactation consultant.** "Certified lactation counselor, advanced lactation consultant, or advanced nurse lactation consultant" means an individual who possesses certification from the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc."

Renumber the subdivisions in sequence

Page 2, line 21, after "lactation" insert "care"

Page 2, line 23, delete "a credential" and insert "certification"

Page 2, line 24, before the period, insert "as accredited by the National Commission for Certifying Agencies"

Page 2, line 27, delete "consultant" and insert "care provider" and delete "consultant" and insert "care provider"

Page 2, line 29, delete "title" and insert "titles authorized in this section and section 148.9803."

Page 2, delete line 30

Page 2, line 35, after "Examiners" insert "as accredited by the National Commission for Certifying Agencies, from the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc.," and after "or" insert "from"

Page 3, line 5, before the period, insert ". licensed certified lactation counselor, licensed advanced lactation consultant, licensed advanced nurse lactation consultant, or licensed International Board-Certified Lactation Consultant"

Page 3, line 9, delete "licensed consultant" and insert "lactation care provider"

Page 3, delete subdivision 2 and insert:

"Subd. 2. **Protected titles and restrictions on use.** (a) The terms or phrases "licensed International Board-Certified Lactation Consultant" or "licensed lactation consultant" alone or in combination can only be used by an individual licensed under sections 148.9801 to 148.9813 and who possesses a credential from the International Board of Lactation Consultant Examiners as accredited by the National Commission for Certifying Agencies.

(b) The terms or phrases "licensed certified lactation counselor," "certified lactation counselor," "licensed advanced lactation consultant," "advanced lactation consultant," "licensed advanced nurse lactation consultant," "advanced nurse lactation consultant," "licensed lactation counselor," or "licensed lactation consultant" alone or in combination can only be used by an individual licensed under sections 148.9801 to 148.9813 and who possesses a credential from the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc., as accredited by the American National Standards Institute."

Page 3, line 17, after "consultant" insert "or lactation counselor"

Page 3, line 28, delete "consultant" and insert "care provider"

Page 3, line 31, delete "or"

Page 3, line 34, after "Examiners" insert "as accredited by the National Commission for Certifying Agencies" and after the semicolon, insert "or"

Page 3, after line 34, insert:

"(iii) the person is certified as a certified lactation counselor, advanced lactation consultant, or advanced nurse lactation consultant by the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc.;"

Page 4, lines 18, 31, and 35, delete "consultant" and insert "care provider"

Page 4, delete lines 27 to 30

Page 5, line 8, delete "credential" and insert "certification"

Page 5, line 9, after "Examiners" insert "as accredited by the National Commission for Certifying Agencies, the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc.;"

Page 6, line 11, delete everything after "2." and insert "Credentialed applicants."

Page 6, line 12, delete everything before "An"

Page 6, line 13, after "Examiners" insert "as accredited by the National Commission for Certifying Agencies" and after the second "Consultant" insert "or an applicant who is credentialed by the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc."

Page 6, line 14, delete "consultant" and insert "care provider"

Page 6, line 20, before the period, insert ", or verified documentation from the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc., that the applicant is credentialed as a certified lactation counselor, advanced lactation consultant, or advanced nurse lactation consultant"

Page 6, line 24, after "consultant" insert ", licensed lactation care provider, or licensed lactation counselor"

Page 6, lines 28 and 33, delete "consultant" and insert "care provider"

Page 7, line 28, after "Examiners" insert "as accredited by the National Commission for Certifying Agencies, the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc.;"

Page 8, line 23, after the comma, insert "the Academy of Lactation Policy and Practice of the Healthy Children Project, Inc."

Page 9, lines 6 and 14, delete "consultant" and insert "care provider"

Page 9, lines 19 and 22, delete "consultants" and insert "care providers"

Page 9, line 30, after "using" insert "one of" and delete everything after "protected" and insert "titles"

Page 9, line 31, delete "lactation consultant"

Page 10, line 16, delete "consultant" and insert "care provider" and after "manner" insert a comma

Page 10, line 17, delete "or" and after "that" insert "is outside of the provider's scope of practice, or in a manner that"

Page 11, lines 4, 5, and 29, delete "consultant" and insert "care provider"

Page 12, line 5, after "use" insert "one of" and delete "title of licensed lactation consultant" and insert "titles"

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.

Davids from the Committee on Taxes to which was referred:

H. F. No. 2380, A bill for an act relating to MNsure; modifying funding for the operations of MNsure; amending Minnesota Statutes 2014, section 62V.05, subdivision 2.

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

The report was adopted.

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

H. F. No. 2408, A bill for an act relating to agriculture; establishing Minnesota emerald ash borer suppression program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the recommendation that 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. 2497, A bill for an act relating to local government; regulating zoning of temporary family health care dwellings; adding temporary family health care dwellings to the definition of a housing with services establishment; amending Minnesota Statutes 2014, section 144D.01, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 394; 462.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 144D.01, subdivision 4, is amended to read:

Subd. 4. **Housing with services establishment or establishment.** (a) "Housing with services establishment" or "establishment" means:

(1) an establishment providing sleeping accommodations to one or more adult residents, at least 80 percent of which are 55 years of age or older, and offering or providing, for a fee, one or more regularly scheduled health-related services or two or more regularly scheduled supportive services, whether offered or provided directly by the establishment or by another entity arranged for by the establishment; or

(2) an establishment that registers under section 144D.025.

(b) Housing with services establishment does not include:

(1) a nursing home licensed under chapter 144A;

(2) a hospital, certified boarding care home, or supervised living facility licensed under sections 144.50 to 144.56;

(3) a board and lodging establishment licensed under chapter 157 and Minnesota Rules, parts 9520.0500 to 9520.0670, 9525.0215 to 9525.0355, 9525.0500 to 9525.0660, or 9530.4100 to 9530.4450, or under chapter 245D;

(4) a board and lodging establishment which serves as a shelter for battered women or other similar purpose;

(5) a family adult foster care home licensed by the Department of Human Services;

(6) private homes in which the residents are related by kinship, law, or affinity with the providers of services;

(7) residential settings for persons with developmental disabilities in which the services are licensed under Minnesota Rules, parts 9525.2100 to 9525.2140, or applicable successor rules or laws;

(8) a home-sharing arrangement such as when an elderly or disabled person or single-parent family makes lodging in a private residence available to another person in exchange for services or rent, or both;

(9) a duly organized condominium, cooperative, common interest community, or owners' association of the foregoing where at least 80 percent of the units that comprise the condominium, cooperative, or common interest community are occupied by individuals who are the owners, members, or shareholders of the units; ~~or~~

(10) services for persons with developmental disabilities that are provided under a license according to Minnesota Rules, parts 9525.2000 to 9525.2140 in effect until January 1, 1998, or under chapter 245D; or

(11) a temporary family health care dwelling as defined in sections 394.307 and 462.3593.

Sec. 2. **[394.307] TEMPORARY FAMILY HEALTH CARE DWELLINGS.**

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

(b) "Caregiver" means an individual 18 years of age or older who:

(1) provides care for a mentally or physically impaired person; and

(2) is a relative, legal guardian, or health care agent of the mentally or physically impaired person for whom the individual is caring.

(c) "Instrumental activities of daily living" has the meaning given in section 256B.0659, subdivision 1, paragraph (i).

(d) "Mentally or physically impaired person" means a person who is a resident of this state and who requires assistance with two or more instrumental activities of daily living as certified in writing by a physician or a physician assistant licensed to practice in this state, or a certified nurse practitioner.

(e) "Relative" means a spouse, parent, child, grandchild, sibling, uncle, aunt, nephew, or niece of the mentally or physically impaired person. Relative includes half, step, and in-law relationships.

(f) "Temporary family health care dwelling" or "dwelling" means a mobile residential dwelling providing an environment facilitating a caregiver's provision of care for a mentally or physically impaired person that meets the requirements of subdivision 2.

Subd. 2. Temporary family health care dwelling. A temporary family health care dwelling must:

(1) be primarily assembled at a location other than its site of installation;

(2) be no more than 300 gross square feet;

(3) not be attached to a permanent foundation;

(4) be universally designed and meet state-recognized accessibility standards;

(5) provide access to water, sewer, and electric utilities either by connecting to the utilities that are serving the principal dwelling on the lot or by other comparable means;

(6) have exterior materials that are compatible in composition, appearance, and durability to the exterior materials used in standard residential construction;

(7) have a minimum insulation rating of R-15;

(8) be able to be installed, removed, and transported by a one-ton pickup truck as defined in section 168.002, subdivision 21b;

(9) be built to American National Standards Institute Code 119.2; and

(10) be equipped with a backflow check valve.

Subd. 3. Temporary conditional use; application. (a) Unless the county has designated temporary health care dwellings as permitted uses, a temporary health care dwelling is a temporary conditional use subject to the provisions in this section. A temporary family health care dwelling that meets the requirements of this section as a temporary conditional use cannot be prohibited under any other local ordinance regulating accessory uses or recreational vehicle parking or storage.

(b) The caregiver or relative must get a temporary conditional use permit from the county. The permit application must be signed by the primary caregiver and the owner of the property on which the dwelling will be located, and the resident of the property if different from the owner, and include:

(1) the name, address, and telephone number of the property owner, the resident of the property if different from the owner, and the primary caregiver responsible for the care of the mentally or physically impaired person; and the name of the mentally or physically impaired person who will live in the dwelling;

(2) proof of the provider network from which the mentally or physically impaired person may receive respite care, primary care, or remote patient monitoring services;

(3) an executed contract for septic service management or other proof of adequate septic service management;

(4) an affidavit that the applicants have provided notice to adjacent property owners and residents of the application for the temporary conditional use permit; and

(5) a general site map to show the location of the dwelling and other structures on the lot.

(c) The temporary family health care dwelling must be located on property where the caregiver or relative resides. A dwelling must comply with all setback requirements that apply to the primary structure and with any maximum floor area ratio limitations that may apply to the primary structure. The dwelling must be located on the lot so that septic services and emergency vehicles can gain access to the dwelling in a safe and timely manner.

(d) A temporary family health care dwelling is limited to one occupant who is identified in the application and only one temporary health care dwelling is allowed on a lot.

(e) Unless otherwise provided, a temporary family health care dwelling installed under this section must comply with all applicable state law, local ordinances, and other requirements.

Subd. 4. **Initial permit term; renewal.** The initial temporary conditional use permit is valid for six months. The applicant may renew the permit once for an additional six months, or a longer period of time negotiated between the applicant and the county.

Subd. 5. **Inspection.** The county may require that the permit holder provide evidence of compliance with this section as long as the temporary family health care dwelling remains on the property. The county may inspect the dwelling at reasonable times convenient to the caregiver to determine if the dwelling is occupied and meets the requirements of this section.

Subd. 6. **Revocation of permit.** The county may revoke the temporary conditional use permit if the permit holder violates any requirement of this section. If the county revokes a permit, the permit holder has 60 days from the date of revocation to remove the temporary family health care dwelling.

Subd. 7. **Fee.** Unless otherwise provided by ordinance, the county may charge a fee of up to \$100 for the initial permit and up to \$50 for a renewal of the permit.

Subd. 8. **No public hearing required; application of section 15.99.** (a) Due to the time-sensitive nature of issuing a temporary conditional use permit for a temporary family health care dwelling, the county does not have to hold a public hearing on the request.

(b) The procedures governing the time limit for deciding an application for the temporary conditional use permit under this section are governed by section 15.99, except that a county has 15 days to issue a permit requested under this section or to deny it. If the county receives a written request that does not contain all required information, the 15-day limit starts over only if the county sends written notice within five business days of receipt of the request telling the requester what information is missing. Notwithstanding section 15.99, subdivision 3, paragraph (f), the county cannot extend the period of time to decide.

Subd. 9. **Opt-out.** A county may by resolution opt-out of the requirements of this section.

EFFECTIVE DATE. This section is effective July 1, 2016, and applies to temporary conditional use permit applications made under this section on or after that date.

Sec. 3. **[462.3593] TEMPORARY FAMILY HEALTH CARE DWELLINGS.**

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

(b) "Caregiver" means an individual 18 years of age or older who:

(1) provides care for a mentally or physically impaired person; and

(2) is a relative, legal guardian, or health care agent of the mentally or physically impaired person for whom the individual is caring.

(c) "Instrumental activities of daily living" has the meaning given in section 256B.0659, subdivision 1, paragraph (i).

(d) "Mentally or physically impaired person" means a person who is a resident of this state and who requires assistance with two or more instrumental activities of daily living as certified in writing by a physician or physician assistant licensed to practice in this state, or a certified nurse practitioner.

(e) "Relative" means a spouse, parent, child, grandchild, sibling, uncle, aunt, nephew, or niece of the mentally or physically impaired person. Relative includes half, step, and in-law relationships.

(f) "Temporary family health care dwelling" or "dwelling" means a mobile residential dwelling providing an environment facilitating a caregiver's provision of care for a mentally or physically impaired person that meets the requirements of subdivision 2.

Subd. 2. **Temporary family health care dwelling.** A temporary family health care dwelling must:

(1) be primarily assembled at a location other than its site of installation;

(2) be no more than 300 gross square feet;

(3) not be attached to a permanent foundation;

(4) be universally designed and meet state-recognized accessibility standards;

(5) provide access to water, sewer, and electric utilities either by connecting to the utilities that are serving the principal dwelling on the lot or by other comparable means;

(6) have exterior materials that are compatible in composition, appearance, and durability to the exterior materials used in standard residential construction;

(7) have a minimum insulation rating of R-15;

(8) be able to be installed, removed, and transported by a one-ton pickup truck as defined in section 168.002, subdivision 21b;

(9) be built to American National Standards Institute Code 119.2; and

(10) be equipped with a backflow check valve.

Subd. 3. Temporary conditional use; application. (a) Unless the municipality has designated temporary health care dwellings as permitted uses, a temporary health care dwelling is a temporary conditional use subject to the provisions in this section. A temporary family health care dwelling that meets the requirements of this section as a temporary conditional use cannot be prohibited under any other local ordinance regulating accessory uses or recreational vehicle parking or storage.

(b) The caregiver or relative must get a temporary conditional use permit from the municipality. The permit application must be signed by the primary caregiver and the owner of the property on which the dwelling will be located, and the resident of the property if different from the owner, and include:

(1) the name, address, and telephone number of the property owner, the resident of the property if different from the owner, and the primary caregiver responsible for the care of the mentally or physically impaired person; and the name of the mentally or physically impaired person who will live in the dwelling;

(2) proof of the provider network from which the mentally or physically impaired person may receive respite care, primary care, or remote patient monitoring services;

(3) an executed contract for septic service management or other proof of adequate septic service management;

(4) an affidavit that the applicants have provided notice to adjacent property owners and residents of the application for the temporary conditional use permit; and

(5) a general site map to show the location of the dwelling and other structures on the lot.

(c) The temporary family health care dwelling must be located on property where the caregiver or relative resides. A dwelling must comply with all setback requirements that apply to the primary structure and with any maximum floor area ratio limitations that may apply to the primary structure. The dwelling must be located on the lot so that septic services and emergency vehicles can gain access to the dwelling in a safe and timely manner.

(d) A temporary family health care dwelling is limited to one occupant who is identified in the application and only one temporary health care dwelling is allowed on a lot.

(e) Unless otherwise provided, a temporary family health care dwelling installed under this section must comply with all applicable state law, local ordinances, and other requirements.

Subd. 4. Initial permit term; renewal. The initial temporary conditional use permit is valid for six months. The applicant may renew the permit once for an additional six months, or a longer period of time negotiated between the applicant and the municipality.

Subd. 5. Inspection. The municipality may require that the permit holder provide evidence of compliance with this section as long as the temporary family health care dwelling remains on the property. The municipality may inspect the dwelling at reasonable times convenient to the caregiver to determine if the dwelling is occupied and meets the requirements of this section.

Subd. 6. Revocation of permit. The municipality may revoke the temporary conditional use permit if the permit holder violates any requirement of this section. If the municipality revokes a permit, the permit holder has 60 days from the date of revocation to remove the temporary family health care dwelling.

Subd. 7. **Fee.** Unless otherwise provided by ordinance, the municipality may charge a fee of up to \$100 for the initial permit and up to \$50 for a renewal of the permit.

Subd. 8. **No public hearing required; application of section 15.99.** (a) Due to the time-sensitive nature of issuing a temporary conditional use permit for a temporary family health care dwelling, the municipality does not have to hold a public hearing on the request.

(b) The procedures governing the time limit for deciding an application for the temporary conditional use permit under this section are governed by section 15.99, except that a municipality has 15 days to issue a permit requested under this section or to deny it. If the municipality receives a written request that does not contain all required information, the 15-day limit starts over only if the municipality sends written notice within five business days of receipt of the request telling the requester what information is missing. Notwithstanding section 15.99, subdivision 3, paragraph (f), the municipality cannot extend the period of time to decide.

Subd. 9. **Opt-out.** A municipality may by resolution opt-out of the requirements of this section.

EFFECTIVE DATE. This section is effective July 1, 2016, and applies to temporary conditional use permit applications made under this section on or after that date."

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

The report was adopted.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 2533, A bill for an act relating to homestead credit refunds; providing for half of the refund to be paid to senior and disabled claimants in April; amending Minnesota Statutes 2014, sections 290A.03, by adding a subdivision; 290A.07, subdivision 3.

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

The report was adopted.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 2554, A bill for an act relating to crime; clarifying military member and adding veterans to offense of impersonation; amending Minnesota Statutes 2014, section 609.475.

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.

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

H. F. No. 2653, A bill for an act relating to capital investment; appropriating money for railroad crossing safety improvements for the Mississippi River Regional Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2683, A bill for an act relating to human services; extending the legislative task force on child protection; amending Laws 2015, chapter 71, article 1, section 125.

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

The report was adopted.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 2694, A bill for an act relating to health; modifying exclusions from home care licensure; amending Minnesota Statutes 2014, section 144A.471, subdivision 9.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 144A.471, subdivision 9, is amended to read:

Subd. 9. **Exclusions from home care licensure.** The following are excluded from home care licensure and are not required to provide the home care bill of rights:

(1) an individual or business entity providing only coordination of home care that includes one or more of the following:

(i) determination of whether a client needs home care services, or assisting a client in determining what services are needed;

(ii) referral of clients to a home care provider;

(iii) administration of payments for home care services; or

(iv) administration of a health care home established under section 256B.0751;

(2) an individual who is not an employee of a licensed home care provider if the individual:

(i) only provides services as an independent contractor to one or more licensed home care providers;

(ii) provides no services under direct agreements or contracts with clients; and

(iii) is contractually bound to perform services in compliance with the contracting home care provider's policies and service plans;

(3) a business that provides staff to home care providers, such as a temporary employment agency, if the business:

(i) only provides staff under contract to licensed or exempt providers;

(ii) provides no services under direct agreements with clients; and

(iii) is contractually bound to perform services under the contracting home care provider's direction and supervision;

(4) any home care services conducted by and for the adherents of any recognized church or religious denomination for its members through spiritual means, or by prayer for healing;

(5) an individual who only provides home care services to a relative;

(6) an individual not connected with a home care provider that provides assistance with basic home care needs if the assistance is provided primarily as a contribution and not as a business;

(7) an individual not connected with a home care provider that shares housing with and provides primarily housekeeping or homemaking services to an elderly or disabled person in return for free or reduced-cost housing;

(8) an individual or provider providing home-delivered meal services;

(9) an individual providing senior companion services and other older American volunteer programs (OAVP) established under the Domestic Volunteer Service Act of 1973, United States Code, title 42, chapter 66;

(10) an employee of a nursing home or home care provider licensed under this chapter or an employee of a boarding care home licensed under sections 144.50 to 144.56 who responds to occasional emergency calls from individuals residing in a residential setting that is attached to or located on property contiguous to the nursing home ~~or~~ boarding care home, or location where home care services are also provided;

(11) an employee of a nursing home or home care provider licensed under this chapter or an employee of a boarding care home licensed under sections 144.50 to 144.56 who provides occasional minor services free of charge to individuals residing in a residential setting that is attached to or located on property contiguous to the nursing home, boarding care home, or location where home care services are also provided, for the occasional minor services provided free of charge;

~~(12)~~ (12) a member of a professional corporation organized under chapter 319B that does not regularly offer or provide home care services as defined in section 144A.43, subdivision 3;

~~(13)~~ (13) the following organizations established to provide medical or surgical services that do not regularly offer or provide home care services as defined in section 144A.43, subdivision 3: a business trust organized under sections 318.01 to 318.04, a nonprofit corporation organized under chapter 317A, a partnership organized under chapter 323, or any other entity determined by the commissioner;

~~(14)~~ (14) an individual or agency that provides medical supplies or durable medical equipment, except when the provision of supplies or equipment is accompanied by a home care service;

~~(15)~~ (15) a physician licensed under chapter 147;

~~(16)~~ (16) an individual who provides home care services to a person with a developmental disability who lives in a place of residence with a family, foster family, or primary caregiver;

~~(17)~~ (17) a business that only provides services that are primarily instructional and not medical services or health-related support services;

~~(18)~~ (18) an individual who performs basic home care services for no more than 14 hours each calendar week to no more than one client;

~~(18)~~ (19) an individual or business licensed as hospice as defined in sections 144A.75 to 144A.755 who is not providing home care services independent of hospice service;

~~(19)~~ (20) activities conducted by the commissioner of health or a community health board as defined in section 145A.02, subdivision 5, including communicable disease investigations or testing; or

~~(20)~~ (21) administering or monitoring a prescribed therapy necessary to control or prevent a communicable disease, or the monitoring of an individual's compliance with a health directive as defined in section 144.4172, subdivision 6."

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

The report was adopted.

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

H. F. No. 2720, A bill for an act relating to boilers; modifying an exception to certain boiler laws; amending Minnesota Statutes 2015 Supplement, section 326B.988.

Reported the same back with the following amendments:

Page 3, line 31, after the stricken period, insert "This paragraph expires the sooner of August 1, 2021, or the date upon which a rule becomes effective."

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.

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

H. F. No. 2758, A bill for an act relating to capital investment; appropriating money for a water access facility in Grand Marais; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2759, A bill for an act relating to capital investment; appropriating money for Gitchi-Gami State Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2773, A bill for an act relating to capital investment; appropriating money for the Minnesota River Regional Trail; authorizing the sale and issuance of state bonds.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Environment and Natural Resources 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. 2774, A bill for an act relating to elections; requiring the development of election emergency plans; proposing coding for new law in Minnesota Statutes, chapter 204B.

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

The report was adopted.

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

H. F. No. 2782, A bill for an act relating to capital investment; appropriating money for the Heartland State Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2786, A bill for an act relating to capital investment; appropriating money for state parks, recreation areas, and trails rehabilitation; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2787, A bill for an act relating to capital investment; appropriating money for acquisition and development of state parks, recreation areas, and trails; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2798, A bill for an act relating to higher education; workforce development; clarifying the dual training grant program; amending Minnesota Statutes 2015 Supplement, sections 136A.246; 175.45, subdivision 1.

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. 2825, A bill for an act relating to manufactured homes; park lot rentals; making changes to the manufactured home relocation trust fund; amending Minnesota Statutes 2014, section 327C.095, subdivision 13.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Greater Minnesota Economic and Workforce Development Policy.

The report was adopted.

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

H. F. No. 2852, A bill for an act relating to capital investment; appropriating money for local recreation grants; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2863, A bill for an act relating to capital investment; appropriating money for the Chester Woods Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2894, A bill for an act relating to capital investment; appropriating money for the Minnesota Valley Trail and local trail connections; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2907, A bill for an act relating to capital investment; appropriating money for the Mill Towns State Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2920, A bill for an act relating to capital investment; appropriating money for the Blufflands Trail system; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2922, A bill for an act relating to capital investment; appropriating money for the Root River State Trail from Preston to Forestville; authorizing the sale and issuance of state bonds.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **ROOT RIVER STATE TRAIL; PRESTON TO CARIMONA TOWNSHIP.**

Subdivision 1. Appropriation. \$5,000,000 is appropriated from the bond proceeds fund to the commissioner of natural resources for construction of the Root River State Trail under Minnesota Statutes, section 85.015, from the city of Preston to Carimona Township.

Subd. 2. **Bond sale.** To provide the money appropriated in this section from the bond proceeds fund, the commissioner of management and budget shall sell and issue bonds of the state in an amount up to \$5,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

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

Amend the title as follows:

Page 1, line 3, delete "Forestville" and insert "Carimona Township"

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

The report was adopted.

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

H. F. No. 2949, A bill for an act relating to capital investment; appropriating money for the Dakota Rail Regional Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2962, A bill for an act relating to capital investment; appropriating money for the Lake Wobegon Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 2988, A bill for an act relating to state government; ratifying a MnSCU personnel plan.

Reported the same back with the recommendation that 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. 2989, A bill for an act relating to taxation; individual income; modifying certification requirements for qualified small business investors; amending Minnesota Statutes 2014, section 116J.8737, subdivision 3.

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. 2991, A bill for an act relating to real estate appraisers; regulating appraiser fees, investigation costs, and appraisal management companies; amending Minnesota Statutes 2014, sections 45.027, subdivision 1; 82C.02, subdivisions 4, 5; proposing coding for new law in Minnesota Statutes, chapter 82C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2014, section 45.027, subdivision 1, is amended to read:

Subdivision 1. **General powers.** In connection with the duties and responsibilities entrusted to the commissioner, and Laws 1993, chapter 361, section 2, the commissioner of commerce may:

(1) make public or private investigations within or without this state as the commissioner considers necessary to determine whether any person has violated or is about to violate any law, rule, or order related to the duties and responsibilities entrusted to the commissioner;

(2) require or permit any person to file a statement in writing, under oath or otherwise as the commissioner determines, as to all the facts and circumstances concerning the matter being investigated;

(3) hold hearings, upon reasonable notice, in respect to any matter arising out of the duties and responsibilities entrusted to the commissioner;

(4) conduct investigations and hold hearings for the purpose of compiling information related to the duties and responsibilities entrusted to the commissioner;

(5) examine the books, accounts, records, and files of every licensee, and of every person who is engaged in any activity regulated; the commissioner or a designated representative shall have free access during normal business hours to the offices and places of business of the person, and to all books, accounts, papers, records, files, safes, and vaults maintained in the place of business;

(6) publish information which is contained in any order issued by the commissioner;

(7) require any person subject to duties and responsibilities entrusted to the commissioner, to report all sales or transactions that are regulated. The reports must be made within ten days after the commissioner has ordered the report. The report is accessible only to the respondent and other governmental agencies unless otherwise ordered by a court of competent jurisdiction; and

(8) assess a natural person or entity subject to the jurisdiction of the commissioner the necessary expenses of the investigation performed by the department when an investigation is made by order of the commissioner. The cost of the investigation shall be determined by the commissioner and is based on the salary cost of investigators or assistants and at an average rate per day or fraction thereof so as to provide for the total cost of the investigation. All money collected must be deposited into the general fund. A natural person or entity licensed under chapter 60K ~~or 82, or 82B~~ shall not be charged costs of an investigation if the investigation results in no finding of a violation. This clause does not apply to a natural person or entity already subject to the assessment provisions of sections 60A.03 and 60A.031.

EFFECTIVE DATE; APPLICATION. This section is effective the day following final enactment and applies to investigations commenced or concluded on or after that date.

Sec. 2. Minnesota Statutes 2014, section 82C.02, subdivision 3, is amended to read:

Subd. 3. **Appraisal assignment.** "Appraisal assignment" means an engagement for which an appraiser is ~~employed or~~ retained to act, as a disinterested third party in giving an unbiased analysis, opinion, or conclusion relating to the nature, quality, value, or utility of named interests in, or aspects of, identified real estate.

Sec. 3. Minnesota Statutes 2014, section 82C.02, subdivision 4, is amended to read:

Subd. 4. **Appraisal management company.** "Appraisal management company" means a corporation, partnership, sole proprietorship, subsidiary, unit, or other business entity that directly or indirectly performs the following appraisal management services:

(1) within a given 12-month period, as defined in section 82C.025, administers a network or networks of independent contractors and/or employee appraisers more than 15 Minnesota state-licensed or state-certified real estate appraisers or 25 or more state-licensed or state-certified real estate appraisers in two or more states, who are independent contractors to the appraisal management company, as described in section 82C.025 to perform residential real estate appraisal assignments for clients;

(2) receives requests for residential real estate appraisal services from clients and, for a fee paid by the client, enters into an agreement with one or more independent contractor appraisers to perform the real estate appraisal services contained in the request; or

(3) serves as a third-party broker of appraisal management services between clients and appraisers.

An appraisal management company does not include a department or division of an entity that provides appraisal management services only to that entity.

Sec. 4. Minnesota Statutes 2014, section 82C.02, is amended by adding a subdivision to read:

Subd. 8a. **Appraisal Subcommittee.** "Appraisal Subcommittee" means the Appraisal Subcommittee of the Federal Financial Institutions Examination Council.

Sec. 5. Minnesota Statutes 2014, section 82C.02, is amended by adding a subdivision to read:

Subd. 12a. **Federally regulated appraisal management company.** "Federally regulated appraisal management company" means an appraisal management company that is owned and controlled by an insured depository institution, as defined in United States Code, title 12, section 1813, and regulated by the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, or the Federal Deposit Insurance Corporation.

Sec. 6. Minnesota Statutes 2014, section 82C.02, is amended by adding a subdivision to read:

Subd. 12b. **National Registry.** "National Registry" means the registry of state-registered appraisal management companies and federally regulated appraisal management companies maintained by the appraisal subcommittee.

Sec. 7. **[82C.025] APPRAISER PANEL; ANNUAL SIZE CALCULATION.**

(a) For purposes of determining whether, within a 12-month period, an appraisal management company oversees an appraiser panel of more than 15 Minnesota state-licensed or state-certified real property appraisers employed as independent contractors or 25 or more state-certified or state-licensed appraisers employed as independent contractors in two or more states, the provisions in paragraphs (b) to (e) shall apply.

(b) An appraiser is deemed part of the appraisal management company's appraiser panel as of the earliest date on which the appraisal management company:

(1) accepts the appraiser for the appraisal management company's consideration for future appraisal assignments; or

(2) engages the appraiser to perform one or more appraisals on behalf of a client.

(c) An appraiser who is deemed part of the appraisal management company's appraiser panel pursuant to paragraph (b) of this section is deemed to remain on the panel until the date on which the appraisal management company:

(1) sends written notice to the appraiser removing the appraiser from the appraiser panel, with an explanation of its action; or

(2) receives written notice from the appraiser asking to be removed from the appraiser panel or notice of the death or incapacity of the appraiser.

(d) If an appraiser is removed from an appraisal management company's appraiser panel pursuant to paragraph (c) of this section, but the appraisal management company subsequently accepts the appraiser for consideration for future assignments or engages the appraiser at any time during the 12 months after the appraisal management company's removal, the removal will be deemed not to have occurred, and the appraiser will be deemed to have been part of the appraisal management company's appraiser panel without interruption.

(e) The period for purposes of counting appraisers on an appraisal management company's appraiser panel is the 12-month period established with which the appraisal management company is required to register.

Sec. 8. **[82C.17] REASONABLE AND CUSTOMARY FEES.**

Subdivision 1. **Fees.** An appraisal management company shall compensate appraisers with fees that are reasonable and customary for appraisal services performed in the market area of the property being appraised.

Subd. 2. **Evidence.** (a) An appraisal management company can evidence that the fees paid to an appraiser were reasonable and customary through:

(1) objective third-party information, including, but not limited to, government agency fee schedules or academic studies. An academic study used must exclude appraisal assignments ordered by an appraisal management company. The commissioner may establish a fee scheduled for use by an appraisal management company; or

(2) reviewing each of the following factors and making adjustments to recent fees paid for appraisal services performed in the market area:

(i) the type of property appraised;

(ii) the scope of the appraisal work;

(iii) the time in which the appraisal service must be performed;

(iv) appraiser qualifications;

(v) appraiser experience and professional record; and

(vi) appraiser work quality.

(b) The fees paid for a complex appraisal assignment shall reflect the increased time, difficulty, and scope of work required.

(c) An appraisal management company shall maintain written documentation describing and substantiating all methods and information used to determine the customary and reasonable fees required by this section.

Subd. 3. **Reporting.** (a) An appraisal management company shall separately state to the client the following:

(1) the fees paid to an appraiser for appraisal services; and

(2) the fees charged by the appraisal management company for services associated with the management of the appraisal process, including procurement of the appraiser's services.

(b) An appraisal management company shall not prohibit an appraiser who is part of an appraiser panel from recording the fee that the appraiser was paid by the appraisal management company for the appraisal within the appraisal report that is submitted by the appraiser to the appraisal management company.

(c) An appraisal management company shall not include fees for appraisal management services performed by the company in the amount the company reports as charges for the appraisal by the appraiser.

Subd. 4. **Timely payment.** Except in the case of breach of contract or an appraisal that contains one or more documented errors of law, regulation, appraisal standards, or reasonable requirements of the appraisal management company that have not been corrected by an appraiser, an appraisal management company shall pay an independent contractor appraiser for the completion of an appraisal or appraisal review:

(1) within 30 days of the appraiser providing the appraisal report to the appraisal management company or within 30 days of the date the appraisal report is transmitted to the client by an appraisal management company, whichever is sooner; or

(2) in accordance with a payment schedule agreed to in writing by the appraiser and the appraisal management company.

Sec. 9. **EFFECTIVE DATE.**

Sections 2 to 8 are effective August 1, 2016, and apply to appraisal assignments commenced on or after that date."

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 2992, A bill for an act relating to labor and industry; occupational safety and health; modifying the AWAIR program; amending Minnesota Statutes 2014, section 182.653, subdivision 9.

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

The report was adopted.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 3009, A bill for an act relating to human services; establishing a community respite care grant program; appropriating money; amending Minnesota Statutes 2014, section 256.975, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[256.9755] CAREGIVER SUPPORT PROGRAMS.**

Subdivision 1. **Program goals.** It is the goal of all area agencies on aging and caregiver support programs to support family caregivers of persons with Alzheimer's disease or other related dementias who are living in the community by:

(1) promoting caregiver support programs that serve Minnesotans in their homes and communities; and

(2) providing, within the limits of available funds, the caregiver support services that will enable the family caregiver to access caregiver support programs in the most cost-effective and efficient manner.

Subd. 2. **Authority.** The Minnesota Board on Aging shall allocate to area agencies on aging the state and federal funds which are received for the caregiver support program in a manner consistent with federal requirements.

Subd. 3. **Caregiver support services.** Funds allocated to an area agency on aging for caregiver support services must be used in a manner consistent with the federal Older Americans Act caregiver support program to reach family caregivers of persons with Alzheimer's disease or related dementias. The funds must be used to provide social, nonmedical, community-based services and activities that provide respite for caregivers and social interaction for participants.

Sec. 2. **APPROPRIATION; CAREGIVER SUPPORT PROGRAMS.**

\$200,000 in fiscal year 2017 is appropriated from the general fund to the commissioner of human services for the Minnesota Board on Aging for the purposes of caregiver support programs under Minnesota Statutes, section 256.9755. This appropriation is added to the base."

Amend the title as follows:

Page 1, line 2, delete everything after the first semicolon and insert "modifying provisions governing caregiver support programs and services;"

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.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 3036, A bill for an act relating to health; creating an advisory task force on the creation of a division of healthy aging; appropriating money.

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.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 3063, A bill for an act relating to health; requiring nursing facilities and boarding care homes to reimburse adult training programs for certain costs of nursing assistant training programs provided at no cost to program participants; modifying nursing facility payment rates; amending Minnesota Statutes 2014, section 144A.611, by adding a subdivision; Minnesota Statutes 2015 Supplement, section 256B.441, subdivisions 13, 53.

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.

Kelly from the Committee on Transportation Policy and Finance to which was referred:

H. F. No. 3067, A bill for an act relating to transportation; modifying various provisions administered by and governing the activities of the Department of Transportation; removing a legislative route; amending Minnesota Statutes 2014, sections 161.081, subdivision 3; 161.46, subdivision 2; 165.14, subdivision 6; 171.12, subdivision 6; 174.185; Laws 2014, chapter 312, article 11, sections 10; 11; 13; 16; 18.

Reported the same back with the following amendments:

Page 3, delete section 2

Renumber the sections in sequence

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 3090, A bill for an act relating to higher education; eliminating an unworkable requirement from a student loan counseling program; amending Laws 2015, chapter 69, article 3, section 24, subdivision 1.

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

The report was adopted.

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

H. F. No. 3107, A bill for an act relating to capital investment; appropriating money for the Big Rivers Regional Trail Trailhead; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 3111, A bill for an act relating to capital improvements; appropriating money for an ATV trail connection; authorizing the sale and issuance of state bonds.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Environment and Natural Resources Policy and 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. 3117, A bill for an act relating to state government; adding the commissioner of human rights to the urban initiative board; amending Minnesota Statutes 2014, section 116M.15, subdivision 1.

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

The report was adopted.

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

H. F. No. 3120, A bill for an act relating to capital investment; appropriating money for the Rocori Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 3150, A bill for an act relating to health; modifying the abortion data required to be reported by physicians or facilities; amending Minnesota Statutes 2015 Supplement, section 145.4131, subdivision 1.

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

The report was adopted.

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

H. F. No. 3204, A bill for an act relating to education; reformatting, making technical, grammatical corrections, and correcting erroneous, ambiguous, and omitted text in certain charter school provisions; amending Minnesota Statutes 2015 Supplement, sections 124E.01; 124E.02; 124E.03; 124E.05; 124E.06; 124E.07; 124E.08; 124E.10; 124E.12; 124E.13; 124E.15; 124E.16; 124E.17; 124E.22; 124E.24; 124E.25; 124E.26.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2015 Supplement, section 124E.01, is amended to read:

124E.01 PURPOSE AND APPLICABILITY.

Subdivision 1. **Purposes.** The primary purpose of ~~this chapter~~ charter schools 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.

Subd. 2. **Applicability.** This chapter applies only to charter schools formed and operated under this chapter. Other statutes and rules that specifically apply to charter schools also govern charter schools.

Sec. 2. Minnesota Statutes 2015 Supplement, section 124E.02, is amended to read:

124E.02 DEFINITIONS.

(a) For purposes of this chapter, the terms defined in this ~~paragraph~~ section have the meanings given them.

~~"Application" to receive approval as an authorizer means the proposal an eligible authorizer submits to the commissioner under section 124E.05 before that authorizer is able to submit any affidavit to charter to a school.~~

~~"Application" under section 124E.06 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.~~

(b) "Affidavit" means a written statement the authorizer submits to the commissioner for approval to establish a charter school under section 124E.06, subdivision 4, attesting to its review and approval process before chartering a school.

~~(b) For purposes of this chapter:~~

~~(1) "related party" means an affiliate or immediate relative of the other party in question, an affiliate of an immediate relative, or an immediate relative of an affiliate;~~

~~(2) (c) "Affiliate" means a person that directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with another person;~~

~~(d) "Control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether by owning voting securities, by contract, or otherwise.~~

~~(3) (e) "Immediate family" means an individual whose relationship by blood, marriage, adoption, or partnering partnership is no more remote than first cousin;~~

~~(4) (f) "Person" means an individual or entity of any kind; and~~

~~(5) "control" means the ability to affect the management, operations, or policy actions or decisions of a person, whether through ownership of voting securities, by contract, or otherwise.~~

~~(g) "Related party" means an affiliate or immediate relative of the other interested party, an affiliate of an immediate relative who is the other interested party, or an immediate relative of an affiliate who is the other interested party.~~

(h) For purposes of this chapter, the terms defined in section 120A.05 have the same meanings.

Sec. 3. Minnesota Statutes 2015 Supplement, section 124E.03, is amended to read:

124E.03 APPLICABLE LAW.

Subdivision 1. **Public status; exemption from statutes and rules.** A charter school is a public school and is part of the state's system of public education. A charter school is exempt from all statutes and rules applicable to a school, school board, or school district unless a statute or rule is made specifically applicable to a charter school or is included in this chapter.

Subd. 2. **General Certain 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 charter school ~~is subject to and~~ must comply with the Minnesota Public School Fee Law, sections 123B.34 to 123B.39.

(d) A charter school is a district for the purposes of tort liability under chapter 466.

(e) A charter school ~~is subject to~~ must comply with the Pledge of Allegiance requirement under section 121A.11, subdivision 3.

(f) A charter school and charter school board of directors ~~are subject to~~ must comply with chapter 181 governing requirements for employment.

(g) A charter school ~~is subject to and~~ must comply with continuing truant notification under section 260A.03.

(h) 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.

(i) 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.

Subd. 3. **Pupils with a disability.** A charter school must comply with sections 125A.02, 125A.03 to 125A.24, 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 section 124E.11, paragraph (h), 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.

Subd. 4. **Students' rights and related law.** (a) A charter school ~~student must be released~~ release a student for religious instruction, consistent with section 120A.22, subdivision 12, clause (3).

(b) A charter school ~~is subject to and~~ must comply with chapter 363A governing the Minnesota Human Rights Act and section 121A.04 governing student athletics and sex discrimination in schools.

(c) A charter school must comply with section 121A.031 governing policies on ~~prohibited conduct~~ bullying.

Subd. 5. **Records, meetings, and data requirements.** (a) A charter school must comply with ~~chapters chapter 13 and 13D governing government data; and sections 120A.22, subdivision 7; 121A.75; governing access to juvenile justice records, and 260B.171, subdivisions 3 and 5, governing juvenile justice records.~~

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

Subd. 5a. **Open meetings.** A charter school must comply with chapter 13D governing open meetings.

Subd. 6. **Length of school year.** A charter school must provide instruction each year for at least the number of hours required by section 120A.41. It may provide instruction throughout the year ~~according to~~ under sections 124D.12 to 124D.127 or 124D.128 governing learning year programs.

Subd. 7. **Additional program-specific requirements.** (a) A charter school offering online courses or programs must comply with section 124D.095 governing online learning.

(b) A charter school that provides early childhood health and developmental screening must comply with sections 121A.16 to 121A.19 governing early childhood screening.

(c) A charter school that provides school-sponsored youth athletic activities must comply with section 121A.38 governing policies on concussions.

Sec. 4. Minnesota Statutes 2015 Supplement, section 124E.05, is amended to read:

124E.05 AUTHORIZERS.

Subdivision 1. **Eligible authorizers.** (a) ~~The following~~ organizations in this subdivision may authorize one or more charter schools:

~~(b)~~ (b) A school board, intermediate school district school board, or education district organized under sections 123A.15 to 123A.19; may authorize a charter school.

~~(c)~~ (c) 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~~ may authorize a charter school, if the organization:

(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) (3) is incorporated in the state of Minnesota and has been operating continuously for at least five years but does not operate a charter school; and

(4) is not:

(i) a nonpublic sectarian or religious institution;

(ii) 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; or

(iii) any other charitable organization under this paragraph that in the federal IRS Form 1023, Part IV, describes activities indicating a religious purpose.

~~(3)~~ (d) 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; may authorize a charter school, notwithstanding paragraph (c).

~~(e) community college, A state college or university, or technical college~~ governed by the Board of Trustees of the Minnesota State Colleges and Universities; ~~or~~ may authorize a charter school.

(f) The University of Minnesota; may authorize a charter school.

~~(4)~~ (g) 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)~~ (h) A single-purpose authorizers authorizer formed as a charitable, nonsectarian organizations organization 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 may authorize a charter school. An eligible organization interested in being approved as an authorizer under this paragraph must submit a proposal to the commissioner that includes the provisions of subdivision 3 and a five-year financial plan. A single-purpose authorizer under this paragraph shall consider and approve charter school applications using the criteria under section 124E.06 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.

Subd. 2. **Requirements for authorizers.** ~~(a) Eligible organizations interested in being approved as an authorizer under subdivision 1, clause (5), must submit a proposal to the commissioner that includes the provisions of subdivision 3 and a five-year financial plan. Such authorizers shall consider and approve charter school applications using the criteria provided in section 124E.06 and shall not limit the applications it solicits, considers, or approves to any single curriculum, learning program, or method.~~

~~(b)~~ The authorizer must participate in department-approved training.

Subd. 3. **Application process.** (a) An eligible authorizer under this section 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~~ show the applicant's ability to implement the procedures and satisfy the criteria for chartering a school under this chapter. The commissioner must approve or disapprove ~~an~~ the application within 45 business days of the ~~application~~ deadline for that application period. 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~~ to approve an authorizer, consistent with subdivision 4, must consider the applicant's:

- (1) ~~capacity and~~ infrastructure and capacity to serve as an authorizer;
- (2) application criteria and process;
- (3) contracting process;

(4) ongoing oversight and evaluation processes; and

(5) renewal criteria and processes.

(b) A disapproved applicant under this section may resubmit an application during a future application period.

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

(1) how ~~the organization carries out its mission by~~ chartering schools ~~is a way for the organization to carry out its mission;~~

(2) ~~a description of the capacity of the organization~~ the organization's capacity to serve as an authorizer, including the personnel who ~~will~~ perform the authorizing duties, their qualifications, the amount of time they ~~will be~~ are assigned to this responsibility, and the financial resources ~~allocated by~~ the organization allocates to this responsibility;

(3) ~~a description of the application and review process the authorizer will use~~ uses to ~~make decisions regarding the granting of~~ decide whether to grant charters;

(4) ~~a description of the type of contract it will arrange~~ arranges with the schools it charters ~~that meets to meet~~ the provisions of section 124E.10;

(5) the process ~~to be used for providing ongoing oversight of~~ overseeing the school, consistent with ~~the contract expectations specified in clause (4) that assures, to ensure~~ that the schools chartered ~~are complying~~ comply 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~~ uses to ~~grant expanded~~ approve applications adding grade or sites under section 124E.06, subdivision 5;

(7) the process for ~~making decisions regarding the renewal or termination of~~ renewing or terminating the school's charter based on evidence ~~that demonstrates~~ showing the academic, organizational, and financial competency of the school, including its success in increasing student achievement and meeting the goals of the charter school agreement; and

(8) an assurance specifying that the organization is committed to serving as an authorizer for the full five-year term.

Subd. 5. **Review by commissioner.** 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.

Subd. 6. **Corrective action.** (a) If, consistent with this chapter, the commissioner finds that an authorizer has not ~~fulfilled~~ met the requirements of this chapter, 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.

(b) 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 subdivision ~~4-3~~ 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~~ gives the commissioner a legally sufficient reason to take corrective action against an authorizer.

Subd. 7. **Withdrawal.** If the governing board of an approved authorizer votes to withdraw as an approved authorizer for a reason unrelated to any cause under section 124E.10, subdivision 4, 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 subdivision~~ after the new authorizer submits an affidavit to the commissioner.

Subd. 8. **Reports.** By September 30 of each year, an authorizer shall submit to the commissioner a statement of income and expenditures related to chartering activities during the previous school year ending June 30. ~~A copy of the statement shall be given to all schools chartered by the authorizer.~~ The authorizer must transmit a copy of the statement to all schools it charters.

Sec. 5. Minnesota Statutes 2015 Supplement, section 124E.06, is amended to read:

124E.06 FORMING A SCHOOL.

Subdivision 1. **Individuals eligible to organize.** (a) An authorizer, after receiving an application from a charter school developer, may charter either 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 subdivision 4.

(b) "Application" under this section means the charter school business plan a charter school developer submits to an authorizer for approval to establish a charter school. This application must include:

(1) the school developer's:

(i) mission statement;

(ii) school purposes;

(iii) program design;

(iv) financial plan;

(v) governance and management structure; and

(vi) background and experience;

(2) any other information the authorizer requests; and

(3) a "statement of assurances" of legal compliance prescribed by the commissioner.

~~(b)~~ (c) An authorizer shall not approve an application submitted by a charter school developer under paragraph (a) if the application does not comply with subdivision 3, paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1. The commissioner shall not approve an affidavit submitted by an authorizer under subdivision 4 if the affidavit does not comply with subdivision 3, paragraph ~~(d)~~ (e), and section 124E.01, subdivision 1.

Subd. 2. **Nonprofit corporation.** (a) The school must be organized and operated as a nonprofit corporation under chapter 317A and the provisions ~~under the applicable of that~~ chapter shall apply to the school except as provided in this chapter.

~~(b)~~ The operators authorized to organize and operate a school; must incorporate as a nonprofit corporation 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.~~

~~(e)~~ (b) Notwithstanding sections 465.717 and 465.719, a school district, subject to this chapter, may create a corporation for the purpose of establishing a charter school.

Subd. 3. **Requirements.** (a) 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 ages five through 18 years ~~of age~~. Instruction A charter school may be provided ~~provide instruction~~ to people older than 18 years of age.

(b) 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. The hours a student is enrolled in a fee-based prekindergarten program do not generate pupil units under section 126C.05 and must not be used to calculate general education revenue under section 126C.10.

~~(b)~~ (c) 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)~~ (d) ~~Charter schools~~ A charter school must not be used ~~as a method of providing to provide~~ education or ~~generating generate~~ revenue for ~~students who are being~~ students. This paragraph does not apply to shared time aid under section 126C.19.

~~(d)~~ (e) This chapter 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 establishment of~~ establishing 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 section 124E.01, subdivision 1. 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.

~~(e)~~ (f) 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 the location by written resolution.

~~(f)~~ (g) Except as provided in paragraph ~~(a)~~ (b), a charter school may not charge tuition.

~~(g)~~ (h) The authorizer may prevent an approved charter school from opening for operation if, among other grounds, the charter school violates this chapter or does not meet the ready-to-open standards that are part of (1) the authorizer's oversight and evaluation process or ~~are~~ (2) stipulated in the charter school contract.

Subd. 4. **Authorizer's affidavit; approval process; authorizer's affidavit.** ~~(a) Before the operators an operator~~ (a) Before ~~the operators an operator~~ 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 at least 14 months before July 1 of the year the new charter school plans to serve students. The affidavit must state:

(1) the terms and conditions under which the authorizer would charter a school; and

(2) how the authorizer intends to oversee;

(i) the fiscal and student performance of the charter school; and

~~to comply~~ (ii) compliance with the terms of the written contract between the authorizer and the charter school board of directors under section 124E.10, subdivision 1.

(b) The commissioner must approve or disapprove the authorizer's affidavit within 60 business days of ~~receipt of receiving~~ 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 the commissioner's final approval or final 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 who fails to obtain the commissioner's approval is precluded from chartering the school that is the subject of this affidavit.

Subd. 5. **Expansion of a charter Adding grades or sites.** ~~(a) A charter school may apply to the authorizer to amend the school charter to expand the operation of the school to additional~~ (a) A charter school may apply to the authorizer to amend the school charter to ~~expand the operation of the school to additional~~ add grades or ~~sites that would be students' primary enrollment site~~ sites beyond those defined in the original affidavit approved by the commissioner. After approving the school's application, the authorizer shall submit a ~~supplementary~~ supplemental affidavit in the form and manner prescribed by the commissioner. The authorizer must file a ~~supplement~~ supplemental affidavit to the commissioner by October 1 to be eligible to ~~expand~~ add grades or sites in the next school year. The ~~supplementary~~ supplemental affidavit must document ~~that the school has demonstrated~~ to the authorizer's satisfaction the following:

(1) the need for the ~~expansion~~ additional grades or sites 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 add grades or sites that sustains the school's ~~financial sustainability~~ finances; and

(4) board capacity ~~and an administrative and management plan to implement its expansion to administer and manage the additional grades or sites.~~

(b) 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 to the commissioner's satisfaction. The commissioner must notify the authorizer of final approval or final disapproval within 15 business days after receiving the authorizer's response to the deficiencies in the affidavit. The school may not ~~expand~~ add grades or ~~add~~ sites until the commissioner has approved the supplemental affidavit. The commissioner's approval or disapproval of a supplemental affidavit is final.

Subd. 6. **Conversion of existing schools.** A board of an independent or special school district may convert one or more of its existing schools to charter schools under this chapter if 60 percent of the full-time teachers at the school sign a petition seeking conversion. The conversion must occur at the beginning of an academic year.

Subd. 7. **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. The authorizer and the merged school must execute a new charter contract under section 124E.10, subdivision 1, ~~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~~ executing the contract.

(b) Each merging school must submit a separate year-end report for the previous fiscal year for that school only. After the final fiscal year of the premerger schools is closed out, each of those schools must transfer 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. 6. Minnesota Statutes 2015 Supplement, section 124E.07, is amended to read:

124E.07 BOARD OF DIRECTORS.

Subdivision 1. **Initial board of directors.** Before entering into a contract or other agreement for professional or other services, goods, or facilities, 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. The initial board continues to serve 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 subdivision 4.

Subd. 2. **Ongoing board of directors.** 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~~.

Subd. 3. **Membership criteria.** (a) The ongoing charter school board of directors shall ~~be composed of~~ have at least five nonrelated members and include: (1) at least one licensed teacher who is employed as a teacher at the school or ~~providing~~ provides instruction under contract between the charter school and a cooperative; (2) at least one parent or legal guardian of a student enrolled in the charter school who is not an employee of the charter school; and (3) 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 structure may include a majority of teachers ~~described~~ in under 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 clause (1). Contractors providing facilities, goods, or services to a charter school shall not serve on the board of directors of the charter school.

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

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

~~(e) (d) Any employee, agent, or board member of the authorizer who participates in the initial review, approval, ongoing oversight, evaluation, or the charter renewal or nonrenewal process or decision initially reviewing, approving, overseeing, evaluating, renewing, or not renewing the charter school is ineligible to serve on the board of directors of a school chartered by that authorizer.~~

~~(d) An individual may serve as a member of the board of directors if no conflict of interest under paragraph (b) exists.~~

Subd. 4. **Structure of Board structure.** 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 board composition of the board established under this ~~subdivision~~ section.

Subd. 5. **Eligible voters.** 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.

Subd. 6. **Duties.** The board of directors also shall decide and ~~be~~ are responsible for policy matters related to ~~the operation of~~ operating the school, including budgeting, curriculum programming, personnel, and operating procedures. The board shall adopt a ~~policy on nepotism in employment~~ policy. The board shall adopt personnel evaluation policies and practices that, at a minimum:

(1) carry out the school's mission and goals;

(2) evaluate ~~the execution of~~ how charter contract goals and commitments are executed;

(3) evaluate student achievement, postsecondary and workforce readiness, and student engagement and connection goals;

(4) establish a teacher evaluation process under section 124E.03, subdivision 2, paragraph (h); and

(5) provide professional development related to the individual's job responsibilities.

Subd. 7. **Training.** 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 after~~ 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 each board member attended ~~by each board member~~ during the previous year.

Subd. 8. **Meetings and information.** (a) Board of director meetings must comply with chapter 13D governing open meetings.

(b) A charter school shall publish and maintain on the school's official Web site: (1) the meeting minutes ~~of meetings~~ of the board of directors; and of members and committees having ~~any~~ board-delegated authority, for at least ~~one calendar year~~ 365 days from the date of publication; (2) directory information for ~~members~~ of the board of directors and for the members of committees having board-delegated authority; and (3) identifying and contact information for the school's authorizer.

(c) A charter school must include identifying and contact information for the school's authorizer ~~must be included~~ in other school materials ~~made~~ it makes available to the public.

Sec. 7. Minnesota Statutes 2015 Supplement, section 124E.08, is amended to read:

124E.08 COLLABORATION BETWEEN CHARTER SCHOOL AND SCHOOL DISTRICT COLLABORATION.

(a) A charter school board may voluntarily enter into a two-year, renewable collaboration agreement ~~for collaboration~~ with a school district in which the charter school is geographically located to enhance ~~student~~ the achievement ~~with a school district within whose geographic boundary it operates~~ of the students in the district and the students in the charter school.

~~(b)~~ (b) A school district ~~need~~ does not need to be either an approved authorizer or the authorizer of the charter school to enter into a collaboration agreement ~~with a charter school under this section~~. ~~A charter school need not be authorized by the school district with which it seeks to collaborate.~~

(c) A charter school authorizer is prohibited from requiring a collaboration agreement as a condition of entering into or renewing a charter contract as defined in section 124E.10, subdivision 1.

~~(d) Nothing in this section or in the collaboration agreement may impact in any way the authority or autonomy of the charter school.~~

~~(e) Nothing in this section or in the collaboration agreement shall cause the state to pay twice for the same student, service, or facility or otherwise impact state funding, or the flow thereof, to the school district or the charter school.~~

~~(f)~~ (b) The collaboration agreement may include, but ~~need is not be~~ limited to, collaboration regarding facilities, transportation, training, student achievement, assessments, mutual performance standards, and other areas of mutual agreement.

~~(g)~~ (c) For purposes of student assessment and reporting to the state under section 120B.36, the school district may include the academic performance of the students of a collaborative charter school site ~~operating within the geographic boundaries of the school district, for purposes of student assessment and reporting to the state under~~ paragraph (a).

~~(h)~~ Districts, authorizers, or charter schools entering into a collaborative agreement are equally and collectively subject to the same state and federal accountability measures for student achievement, school performance outcomes, and school improvement strategies. The collaborative agreement and all accountability measures must be posted on the district, charter school, and authorizer Web sites.

(d) Nothing in this section or in the collaboration agreement may impact in any way the authority or autonomy of the charter school.

(e) Nothing in this section or in the collaboration agreement shall cause the state to pay twice for the same student, service, or facility or otherwise impact state funding or payment to the school district or the charter school.

Sec. 8. Minnesota Statutes 2015 Supplement, section 124E.10, is amended to read:

124E.10 CHARTER CONTRACT.

Subdivision 1. **Contents.** ~~(a) The authorization for~~ To authorize a charter school, ~~the authorizer and the charter school board of directors must be in the form of sign~~ a written contract ~~signed by the authorizer and the board of directors of the charter school. The contract must be completed~~ within 45 business days of the commissioner's approval of the authorizer's affidavit. The authorizer shall submit ~~to the commissioner~~ a copy of the ~~signed~~ charter contract to the commissioner within ten business days ~~of its execution~~ after the contract is signed by the contracting parties. The contract ~~for a charter school must be in writing and contain~~ include at least the following:

(1) a declaration that the charter school will carry out the primary purpose in section 124E.01, subdivision 1, and indicate how the school will report its implementation of the primary purpose to its authorizer;

(2) a declaration of the additional purpose or purposes in section 124E.01, subdivision 1, that the school intends to carry out and indicate how the school will report its implementation of those purposes to its authorizer;

(3) a description of the school program and the specific academic and nonacademic outcomes that pupils must achieve;

(4) a statement of admission policies and procedures;

(5) a school governance, management, and administration plan ~~for the school~~;

(6) signed agreements from charter school board members to comply with ~~all~~ the federal and state laws governing organizational, programmatic, and financial requirements applicable to charter schools;

(7) the criteria, processes, and procedures ~~that~~ the authorizer will use to monitor and evaluate the fiscal, operational, and academic performance, consistent with subdivision 3, paragraphs (a) and (b);

(8) for contract renewal, the formal written performance evaluation ~~of the school~~ that is a prerequisite for reviewing a charter contract under subdivision 3;

(9) types and amounts of insurance liability coverage ~~to be obtained by~~ the charter school must obtain, consistent with section 124E.03, subdivision 2, paragraph (d);

(10) consistent with section 124E.09, paragraph (d), a provision to indemnify and hold harmless ~~the authorizer and its officers, agents, and employees~~ from any suit, claim, or liability arising from any charter school operation ~~of the charter school~~;

(i) the authorizer and its officers, agents, and employees; and

(ii) notwithstanding section 3.736, the commissioner and department officers, agents, and employees ~~notwithstanding section 3.736;~~

(11) the term of the ~~initial~~ contract, which, for an initial contract, may be up to five years plus an additional preoperational planning year, ~~and up to five years or~~ for a renewed contract or a contract with a new authorizer after a transfer of authorizers, may be up to five years, if warranted by the school's academic, financial, and operational performance;

(12) how the charter school board of directors or the charter school operators ~~of the charter school~~ will provide special instruction and services for children with a disability under sections 125A.03 to 125A.24, and 125A.65, and a description of the financial parameters within which the charter school will ~~operate to~~ provide the special instruction and services to children with a disability;

(13) the specific conditions for contract renewal that identify the performance of all students under the primary purpose of section 124E.01, subdivision 1, as the most important factor in determining whether to renew the contract ~~renewal;~~ and

(14) the additional purposes under section 124E.01, subdivision 1, and related performance obligations under clause (7) contained in the charter contract as additional factors in determining whether to renew the contract ~~renewal;~~ and.

~~(15)~~ (b) In addition to the requirements of paragraph (a), the charter contract must contain the plan for an orderly closing of the school under chapter 317A, that establishes the responsibilities of the school board of directors and the authorizer, whether the closure is a termination for cause, a voluntary termination, or a nonrenewal of the contract, ~~that includes establishing the responsibilities of the school board of directors and the authorizer and notifying. The plan must establish who is responsible for:~~

(1) notifying the commissioner, ~~authorizer,~~ school district in which the charter school is located, and parents of enrolled students about the closure;₂

(2) providing parents of enrolled students information and assistance ~~sufficient~~ to enable the student to re-enroll in another school, ~~the;~~

(3) ~~transfer of~~ transferring student records under section 124E.03, subdivision 5, paragraph (b), to the student's resident school district; and

(4) ~~procedures for~~ closing financial operations.

~~(b)~~ (c) A charter school must design its programs to at least meet the outcomes adopted by the commissioner for public school students. In the absence of the commissioner's requirements governing state standards and benchmarks, the school must meet the outcomes contained in the contract with the authorizer. The achievement levels of the outcomes contained in the contract may exceed the achievement levels of any outcomes adopted by the commissioner for public school students.

Subd. 2. **Limitations Limits on charter contract school agreements.** (a) A school must disclose to the commissioner any potential contract, lease, or purchase of service from an authorizer ~~must be disclosed to the commissioner.~~ The contract, lease, or purchase must be 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~~ to a school ~~that~~ it authorizes, unless the school documents ~~that it received~~ receiving at least two competitive bids.

(b) ~~The An authorizer must not condition granting or renewal of renewing a charter school by an authorizer must not be contingent on:~~

(1) ~~the charter school being required to contract, lease, or purchase services from the authorizer;~~ or

(e) ~~The granting or renewal of a charter by an authorizer must not be conditioned upon~~ (2) the bargaining unit status of ~~the school~~ the school employees ~~of the school~~.

Subd. 3. **Review and comment.** (a) The authorizer shall provide a formal written evaluation of the school's performance before the authorizer renews the charter contract. The ~~department~~ commissioner must review and comment on the authorizer's evaluation process at the time the authorizer submits its application for approval and each time the authorizer undergoes its five-year review under section 124E.05, subdivision 5.

(b) An authorizer shall monitor and evaluate the academic, financial, operational, and student performance of the school, and may ~~for this purpose annually~~ assess a charter school a fee according to paragraph (c). The agreed-upon fee structure must be stated in the charter school contract.

(c) The fee that an authorizer may annually assess is the greater of:

(1) the basic formula allowance for that year; or

(2) the lesser of:

(i) the maximum fee factor times the basic formula allowance for that year; or

(ii) the fee factor times the basic formula allowance for that year times the charter school's adjusted pupil units for that year. The fee factor equals .015. The maximum fee factor equals 4.0.

(d) An authorizer may not assess a fee for any required services other than as provided in this subdivision.

(e) For the preoperational planning period, after a school is chartered, the authorizer may assess a charter school a fee equal to the basic formula allowance.

Subd. 4. **Causes for nonrenewal or termination of charter school contract.** (a) The duration of the contract with an authorizer must be for the term contained in the contract according to subdivision 1, paragraph (a). The authorizer may or may not renew a contract at the end of the term for any ground listed in paragraph (b). An authorizer may unilaterally terminate a contract during the term of the contract for any ground listed in paragraph (b). At least 60 business days before not renewing or terminating a contract, the authorizer shall 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~~ describe the informal hearing process, consistent with this paragraph. The charter school's board of directors may request in writing an informal hearing before the authorizer within 15 business days ~~of~~ after receiving notice of nonrenewal or termination of the contract. Failure by the board of directors to make a written request for an informal hearing within the 15-business-day period shall be treated as acquiescence to the proposed action. Upon receiving a timely written request for a hearing, the authorizer shall 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) An authorizer may terminate or not renew 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 the authorizer terminates or does not renew a contract ~~is terminated or not renewed~~ under this paragraph, the school must be dissolved according to the applicable provisions of chapter 317A.

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

- (1) failure to meet pupil performance requirements, consistent with state law;
- (2) financial mismanagement or failure to meet generally accepted standards of fiscal management; or
- (3) repeated or major violations of the law.

Subd. 5. **Mutual nonrenewal.** 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 authorizer must submit the proposed contract ~~must be submitted~~ at least 105 business days before the end of the existing charter contract. The commissioner ~~shall have~~ has 30 business days to review and make a determination on the change in authorizer. 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~~ must make a final determination no later than 45 business days before the end of the current charter contract. ~~If~~ no the commissioner does not approve a 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~~ commissioner does not approve a change in authorizer 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.

Subd. 6. **Pupil enrollment upon nonrenewal or termination of charter school contract.** (a) If a contract is not renewed or is terminated according to subdivision 4 or 5, a pupil who attended the school, siblings of the pupil, or another pupil who resides ~~in the same place as~~ with the pupil may enroll in the resident district or may submit an application to a nonresident district according to section 124D.03 governing open enrollment at any time. Applications and notices required by section 124D.03 must be processed and provided in a prompt manner. The application and notice deadlines in section 124D.03 do not apply under these circumstances.

~~(b) Within ten business days of closing the charter school, the closed charter school must transfer the student's educational records within ten business days of closure to the student's school district of residence where the records must be retained or transferred under section 120A.22, subdivision 7.~~

Sec. 9. Minnesota Statutes 2015 Supplement, section 124E.12, is amended to read:

124E.12 EMPLOYMENT.

Subdivision 1. **Teachers.** A charter school must employ or contract with necessary teachers, as defined by section 122A.15, subdivision 1, who hold valid licenses to perform the particular service for which they are employed in the school. ~~The commissioner may reduce~~ the charter school's state aid ~~may be reduced~~ under section 127A.43 if the school employs a teacher who is not appropriately licensed or approved by the board of teaching. The school may employ necessary employees who are not required to hold teaching licenses to perform duties other than teaching and may contract for other services. The school may discharge teachers and nonlicensed employees. The charter school board is subject to section 181.932 governing whistle-blowers. When offering employment to a prospective employee, a charter school must give that employee a written description of the terms and conditions of employment and the school's personnel policies.

Subd. 2. **Administrators.** (a) A person, without holding a valid administrator's license, may perform administrative, supervisory, or instructional leadership duties. The board of directors shall establish qualifications for all persons that who hold administrative, supervisory, or instructional leadership roles. The qualifications shall ~~include cover~~ at least ~~the following areas~~: instruction and assessment; human resource and personnel management; financial management; legal and compliance management; effective communication; and board, authorizer, and community relationships. The board of directors shall use those qualifications as the basis for job descriptions, hiring, and performance evaluations of those who hold administrative, supervisory, or instructional leadership roles.

(b) The board of directors and an individual who does not hold a valid administrative license and who serves in an administrative, supervisory, or instructional leadership position shall develop a professional development plan. ~~Documentation of the implementation of~~ The school's annual report must include public personnel information documenting the professional development plan of these persons shall be included in the school's annual report.

Subd. 3. **Collective bargaining.** Employees of the board of directors of a charter school may, if otherwise eligible, organize under chapter 179A and comply with its provisions. The board of directors of a charter school is a public employer, for the purposes of chapter 179A, ~~upon formation of~~ when forming one or more bargaining units at the school. Bargaining units at the school must be separate from any other units within an authorizing district, except that bargaining units may remain part of the appropriate unit within an authorizing district, if the employees of the school, the board of directors of the school, the exclusive representative of the appropriate unit in the authorizing district, and the board of the authorizing district agree to include the employees in the appropriate unit of the authorizing district. The board of directors of a charter school with employees organized under this subdivision must comply with sections 471.6161 governing group insurance and 471.895 governing gifts.

Subd. 4. **Teacher and other employee retirement.** (a) Teachers in a charter school must be public school teachers for the purposes of chapters 354 and 354A governing the Teacher Retirement Act.

(b) Except for teachers under paragraph (a), employees in a charter school must be public employees for the purposes of chapter 353 governing the Public Employees Retirement Act.

Subd. 5. **Group health insurance.** (a) A charter school board with at least 25 employees or a teacher cooperative of licensed teachers providing instruction under a contract between a school and a cooperative that provides group health insurance coverage shall:

(1) request proposals for group health insurance coverage from a minimum of three sources at least every two years; and

(2) notify employees covered by the group health insurance coverage before the effective date of the changes in the group coverage policy contract.

(b) A charter school board or a cooperative of teachers that provides group health insurance coverage must establish and publish on its Web site the policy for ~~the purchase of~~ purchasing group health insurance coverage. A charter school board policy must include a sealed proposal process, which requires all proposals to be opened at the same time. Upon ~~the openings of~~ opening the proposals ~~in accordance with~~ according to the school or cooperative policy, the proposals become public data under chapter 13.

Nothing in this subdivision supersedes the right of an exclusive representative to negotiate ~~over~~ the terms and conditions of employment.

Subd. 6. **Leave to teach in a charter school.** If a teacher employed by a district makes a written request for an extended leave of absence to teach at a charter school, the district must grant the leave. The district must grant a leave not to exceed a total of five years. Any request to extend the leave shall be granted only at the discretion of the school board. The district may require ~~that a teacher to make~~ the request for a leave or extension of leave ~~be made~~ before February 1 in the school year preceding the school year in which the teacher intends to leave, or February 1 of the calendar year in which the teacher's leave is scheduled to terminate. Except as otherwise provided in this subdivision and ~~except for~~ section 122A.46, subdivision 7, governing employment in another district, the leave is governed by section 122A.46, including, but not limited to, reinstatement, notice of intention to return, seniority, salary, and insurance.

During a leave, the teacher may continue to aggregate benefits and credits in the Teachers' Retirement Association account under chapters 354 and 354A, consistent with subdivision 4.

Sec. 10. Minnesota Statutes 2015 Supplement, section 124E.13, is amended to read:

124E.13 FACILITIES.

Subdivision 1. **Leased space.** A charter school may lease space from: ~~an independent or special school board;~~ other public organization; ~~private, nonprofit, nonsectarian organization;~~ private property owner; ~~or a sectarian organization if the leased space is constructed as a school facility. The department commissioner must review and approve or disapprove leases in a timely manner for purposes of determining to determine~~ eligibility for lease aid under section 124E.22.

Subd. 2. **Related party lease costs.** (a) A charter school ~~is prohibited from entering~~ must not enter into a lease of real property with a related party unless the lessor is a nonprofit corporation under chapter 317A or a cooperative under chapter 308A, and the lease cost is reasonable under section 124E.22, paragraph (a), clause (1).

(b) ~~A lease of real property to be used for a charter school, not excluded in related party permitted to enter into a lease under~~ paragraph (a); ~~must contain~~ include the following statement in the lease: "This lease is subject to Minnesota Statutes, section 124E.13, subdivision 2."

(c) If a charter school ~~enters into as lessee a lease with~~ leases space from a related party and the charter school subsequently closes, the commissioner has the right to recover from the ~~lessor~~ related party any lease payments in excess of those that are reasonable under section 124E.22, paragraph (a), clause (1).

Subd. 3. **Affiliated nonprofit building corporation.** (a) An affiliated nonprofit building corporation may purchase, expand, or renovate an existing facility to serve as a school or may construct a new school facility. A charter school may organize an affiliated nonprofit building corporation ~~(1) to purchase, expand, or renovate an existing facility to serve as a school or (2) to construct a new school facility~~ if the charter school:

(i) ~~(1)~~ has been in operation operated for at least six consecutive years;

(ii) ~~(2)~~ as of June 30, has a net positive unreserved general fund balance in the preceding three fiscal years;

(iii) ~~(3)~~ has long-range strategic and financial plans that include enrollment projections for at least five years;

(iv) ~~(4)~~ completes a feasibility study of facility options that outlines the benefits and costs of ~~the options~~ each option; and

(v) ~~(5)~~ has a plan ~~for purchase, renovation, or new construction which~~ that describes project parameters and budget.

(b) An affiliated nonprofit building corporation under this subdivision must:

(1) be incorporated under section 317A;

(2) comply with applicable Internal Revenue Service regulations, including regulations for "supporting organizations" as defined by the Internal Revenue Service;

(3) post on the school Web site the name, mailing address, bylaws, minutes of board meetings, and ~~the~~ names of the current board of directors of the affiliated nonprofit building corporation;

(4) submit to the commissioner a copy of its annual audit by December 31 of each year; and

(5) comply with government data practices law under chapter 13.

(c) An affiliated nonprofit building corporation must not serve as the leasing agent for property or facilities it does not own. A charter school that leases a facility from an affiliated nonprofit building corporation that does not own the leased facility is ineligible to receive charter school lease aid. The state is immune from liability resulting from a contract between a charter school and an affiliated nonprofit building corporation.

(d) ~~Once an affiliated nonprofit building corporation is incorporated under this subdivision, The board of directors of the charter school must ensure the affiliated nonprofit building corporation complies with all applicable legal requirements. The charter school's authorizer of the school must oversee the efforts of the school's board of directors of the charter school to ensure the affiliated nonprofit building corporation complies with all legal requirements governing the affiliated nonprofit building corporation legal compliance of the affiliated building corporation. A school's board of directors that fails to ensure the affiliated nonprofit building corporation's compliance violates its responsibilities and an authorizer must factor the consider that failure into the authorizer's evaluation of when evaluating the charter school.~~

Subd. 4. **Positive review and comment.** If the amount of a purchase agreement or construction contract exceeds the review and comment threshold, a charter school or its affiliated nonprofit building corporation must receive a positive review and comment from the commissioner before initiating any purchase agreement or construction contract ~~that requires an expenditure in excess of the threshold specified in section 123B.71, subdivision 8, for school districts that do not have a capital loan outstanding. Without a positive review and comment from the commissioner,~~ a purchase agreement or construction contract ~~finalized before a positive review~~

~~and comment under this subdivision~~ is null and void. For purposes of this subdivision, "review and comment threshold" means the dollar amount specified in section 123B.71, subdivision 8, applicable to a school entity that is not a recipient of a maximum effort capital loan.

Sec. 11. Minnesota Statutes 2015 Supplement, section 124E.15, is amended to read:

124E.15 TRANSPORTATION.

(a) 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.

~~(b) A charter school after its first fiscal year of operation by March 1 of each fiscal year and A charter school by July 1 of its first fiscal year of operation~~ must notify the district in which the school is located and the ~~Department of Education~~ commissioner by July 1 of its first fiscal year of operation if it will provide its own transportation or use the transportation services of the district in which it is located ~~for the fiscal year~~. For each subsequent year of operation, a charter school must give that district and the commissioner notice by March 1 for the following fiscal year.

(c) If a charter school elects to provide transportation for pupils, the charter school must provide the transportation ~~must be provided by the charter school~~ within the district in which the charter school is located. The state must pay transportation aid to the charter school according to section 124E.23.

(d) For pupils who reside outside the district in which the charter school is located, the charter school is not required to provide or pay for transportation between the pupil's residence and the border of the district in which the charter school is located. The charter school may reimburse a parent ~~may be reimbursed by the charter school~~ for costs of transportation from the pupil's residence to the border of the district in which the charter school is located if the pupil is from a family whose income is at or below the poverty level, as determined by the federal government. The reimbursement may not exceed the pupil's actual cost of transportation or 15 cents per mile traveled, whichever is less. Reimbursement may not be paid for more than 250 miles per week.

~~At the time a pupil enrolls in a charter school, the charter school must provide the parent or guardian with information regarding the transportation.~~

~~(d)~~ (e) If a charter school does not elect to provide transportation, the district in which the school is located must provide transportation ~~for pupils enrolled at the school must be provided by the district in which the school is located~~, according to sections 123B.88, subdivision 6, governing transporting nonresident pupils, and 124D.03, subdivision 8, for a pupil residing in the same district in which the charter school is located. The district in which the charter school is located may provide transportation ~~may be provided by the district in which the school is located~~, according to sections 123B.88, subdivision 6, and 124D.03, subdivision 8, governing open enrollment transportation, for a pupil residing in a different district. If the district provides the transportation, the scheduling of routes, manner and method of transportation, control and discipline of the pupils, and any other matter relating to the transportation of pupils under this paragraph ~~shall be~~ is within the sole discretion, control, and management of the district.

(f) The charter school must provide the parent or guardian with information about transportation when a pupil enrolls.

Sec. 12. Minnesota Statutes 2015 Supplement, section 124E.16, is amended to read:

124E.16 REPORTS.

Subdivision 1. **Audit report.** (a) A charter school is subject to the same financial audits, audit procedures, and audit requirements as a district, except as required under this subdivision. Audits must be conducted in compliance with generally accepted governmental auditing standards, the federal Single Audit Act, if applicable, and section 6.65 governing auditing procedures. 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; governing government property and financial investments; and sections 471.38; 471.391; 471.392; and 471.425 governing municipal contracting. The audit must comply with the requirements of sections 123B.75 to 123B.83 governing school district finance, ~~except to the extent deviations are necessary because of the program at the school when the commissioner and authorizer approve a deviation made necessary because of school program finances. Deviations must be approved by the commissioner and authorizer.~~ The ~~Department of Education~~ commissioner, 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.

(b) The charter school must submit an audit report to the commissioner and its authorizer annually by December 31 ~~each year~~.

(c) The charter school, with the assistance of the auditor conducting the audit, must include with the report, as supplemental information; (1) a copy of management agreements with a charter management organization or an educational management organization and (2) service agreements or contracts over the lesser of \$100,000 or ten percent of the school's most recent annual audited expenditures. The agreements must detail the terms of the agreement, including the services provided and the annual costs for those services. If the entity that provides the professional services to the charter school is exempt from taxation under section 501 of the Internal Revenue Code of 1986, that entity must file with the commissioner by February 15 a copy of the annual return required under section 6033 of the Internal Revenue Code of 1986.

(d) A charter school independent audit report shall include audited financial data of an affiliated building corporation under section 124E.13, subdivision 3, or other component unit.

(e) If the audit report finds that a material weakness exists in the financial reporting systems of a charter school, the charter school must submit a written report to the commissioner explaining how the charter school will resolve that material weakness ~~will be resolved~~. An auditor, as a condition of providing financial services to a charter school, must agree to make available information about a charter school's financial audit to the commissioner and authorizer upon request.

Subd. 2. **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 governing the world's best workforce. A charter school must post the annual report on the school's official Web site. A charter school also ~~also~~ must 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 section 124E.05, subdivision 5. The report shall at least include key indicators of school academic, operational, and financial performance.

Sec. 13. Minnesota Statutes 2015 Supplement, section 124E.17, is amended to read:

124E.17 DISSEMINATION OF INFORMATION.

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

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

Subd. 2. **Financial information.** Upon request of an individual, the charter school must ~~also~~ make available in a timely fashion financial statements showing all operations and transactions affecting the school's 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.

Sec. 14. Minnesota Statutes 2015 Supplement, section 124E.22, is amended to read:

124E.22 BUILDING LEASE AID.

(a) When a charter school finds it economically advantageous to rent or lease a building or land for any instructional ~~purposes~~ purpose and it determines that the total operating capital revenue under section 126C.10, subdivision 13, is insufficient for this purpose, it may apply to the commissioner for building lease aid ~~for this purpose~~. The commissioner must review and either approve or deny a lease aid application using the following criteria:

(1) the reasonableness of the price based on current market values;

(2) the extent to which the lease conforms to applicable state laws and rules; and

(3) the appropriateness of the proposed lease in the context of the space needs and financial circumstances of the charter school. The commissioner must approve aid only for a facility lease that has (i) a sum certain annual cost and (ii) a closure clause to relieve the charter school of its lease obligations at the time the charter contract is terminated or not renewed. The closure clause under item (ii) must not be constructed or construed to relieve the charter school of its lease obligations in effect before the charter contract is terminated or not renewed.

~~(b)~~ (b) A charter school must not use the building lease aid it receives for custodial, maintenance service, utility, or other operating costs.

~~(b)~~ (c) The amount of annual building lease aid for a charter school shall not exceed the lesser of (1) 90 percent of the approved cost or (2) the product of the pupil units served for the current school year times \$1,314.

Sec. 15. Minnesota Statutes 2015 Supplement, section 124E.24, is amended to read:

124E.24 OTHER AID, GRANTS, AND REVENUE.

(a) A charter school is eligible to receive other aids, grants, and revenue according to chapters 120A to 129C, as though it were a district.

(b) Notwithstanding paragraph (a), a charter school may not receive aid, a grant, or revenue if a levy is required to obtain the money, or if the aid, grant, or revenue replaces levy revenue that is not general education revenue, except as otherwise provided in this chapter.

(c) Federal aid received by the state must be paid to the school, if it qualifies for the aid, as though it were a school district.

(d) A charter school may receive money from any source for capital facilities needs. In the year-end report to the commissioner of education, the charter school shall report the total amount of funds it received from grants and other outside sources.

Sec. 16. Minnesota Statutes 2015 Supplement, section 124E.25, is amended to read:

124E.25 PAYMENT OF AIDS TO CHARTER SCHOOLS.

Subdivision 1. **Payments.** ~~(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.

Subd. 1a. School closures; payments. ~~(b)~~ ~~(a)~~ Notwithstanding ~~paragraph (a)~~ subdivision 1 and section 127A.45, for a charter school ceasing operation on or ~~prior to~~ before 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~~ and documented lease expenditures; from the charter school 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.

(b) For a charter school ceasing operations ~~prior to~~, before or at the end of, a school year, notwithstanding section 127A.45, subdivision 3, the commissioner may make preliminary final payments ~~may be made~~ after receiving the school submits the closure plan, an audit of pupil counts, monitoring of special education expenditures; documentation of documented lease expenditures, and school submission of Uniform Financial Accounting and Reporting Standards (UFARS) financial data and the commissioner monitors special education expenditures for the final year of operation. The commissioner may make the final payment ~~may be made upon receipt of~~ after receiving audited financial statements under section 123B.77, subdivision 3.

(c) Notwithstanding sections 317A.701 to 317A.791, upon closure of after closing a charter school and ~~satisfaction of~~ satisfying creditors, remaining cash and investment balances ~~remaining~~ shall be returned by the commissioner to the state general fund.

Subd. 2. **Requirements.** ~~(a)~~ ~~In order~~ To receive state aid payments under this section, a charter school in its first three years of operation must submit to the commissioner a school calendar in the form and manner requested by the ~~department~~ commissioner and a quarterly report ~~to the Department of Education~~. The quarterly report must list each student by grade, show the student's start and end dates, if any applicable, ~~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 charter school must submit the report ~~must be submitted~~ to the commissioner not more than two weeks after the end of the calendar quarter ~~to the department~~. The ~~department~~ commissioner must develop a Web-based reporting form for charter schools to use when submitting quarterly enrollment reports.

~~(b)~~ To receive state aid payments under this section, a charter school in its fourth and subsequent year of operation must submit a school calendar and enrollment information to the ~~department~~ commissioner in the form and manner requested by the ~~department~~ commissioner.

~~(b)~~ (c) A charter school must have a valid, signed contract under section 124E.10, subdivision 1, on file ~~at~~ with the ~~Department of Education~~ commissioner at least 15 days ~~prior to~~ before the date of first payment of state aid for the fiscal year.

~~(e)~~ (d) The commissioner shall compute 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 124E.10, subdivision 1.

Subd. 3. **Aid reductions.** (a) The commissioner may reduce a charter school's state aid under section 127A.42 or 127A.43 if the charter school board fails to correct a violation under this chapter.

(b) The commissioner may reduce a charter school's state aid by an amount not to exceed 60 percent of the charter school's basic revenue for the period of time ~~that a violation of law occurs~~ was violated.

Subd. 4. **Aid withholding.** (a) 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.

(b) ~~If, within the timeline under section 471.425, after receiving an undisputed invoice for goods and services, 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~~ within the timeline under section 471.425, 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.

Sec. 17. Minnesota Statutes 2015 Supplement, section 124E.26, is amended to read:

124E.26 USE OF STATE MONEY.

~~Money received from the state may not be used~~ A charter school may not use state money to purchase land or buildings. The charter school may own land and buildings if obtained through nonstate sources.

Sec. 18. **SUPERSEDING ACTS.**

Any amendments or repeals enacted in the 2016 session of the legislature to sections also amended or repealed in this act supersede the amendments in this act regardless of order of enactment."

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. 3208, A bill for an act relating to game and fish; modifying blaze orange hunting requirements to allow blaze pink; amending Minnesota Statutes 2014, section 97B.071.

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. 3211, A bill for an act relating to pari-mutuel horse racing; authorizing advance deposit wagering; providing for horse-racing revenue; appropriating money; amending Minnesota Statutes 2014, sections 240.08, subdivision 1; 240.13, subdivision 4; 240.15, subdivision 2; 240.25, subdivision 1; Minnesota Statutes 2015 Supplement, sections 240.01, by adding subdivisions; 240.08, subdivision 2; 240.10; 240.15, subdivisions 1, 6; 240.22; proposing coding for new law in Minnesota Statutes, chapter 240.

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

The report was adopted.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 3252, A bill for an act relating to commerce; regulating real estate licenses; requiring the renewal or reinstatement of the license of certain veterans; amending Minnesota Statutes 2014, section 82.62, 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 82.59, subdivision 5, is amended to read:

Subd. 5. **Waivers.** The commissioner may grant a waiver of the real estate licensing experience requirement for the broker's examination to a qualified applicant for a waiver.

(a) A qualified applicant for a waiver is an individual who:

- (1) has a degree in real estate from an accredited college or university;
- (2) is a licensed practicing attorney whose practice involves real estate law; or
- (3) is a public officer whose official duties involve real estate law or real estate transactions.

(b) The commissioner shall grant a waiver of the real estate licensing experience requirement for the broker's examination at no cost to a qualified veteran who applies for the waiver. The qualified veteran may retake the examination under the terms of the waiver. For purposes of this paragraph, "qualified veteran" means: (1) an active

duty military member or spouse of an active duty military member on the date of the license cancellation or the date by which a timely renewal must have been made; or (2) a veteran or spouse of a veteran who has left service in the two years preceding the date of the license cancellation or the date by which a timely renewal must have been made.

~~(b)~~ (c) A request for a waiver shall be submitted to the commissioner in writing on a form prescribed by the commissioner and be accompanied by documents necessary to evidence qualification as set forth in paragraph (a).

~~(e)~~ (d) The waiver will lapse if the applicant fails to successfully complete the broker's examination within one year from the date of the granting of the waiver.

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

Delete the title and insert:

"A bill for an act relating to commerce; requiring qualified veterans to receive a licensing experience waiver for the broker's examination; amending Minnesota Statutes 2014, section 82.59, subdivision 5."

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

The report was adopted.

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

H. F. No. 3255, A bill for an act relating to state government; ratifying labor agreements.

Reported the same back with the following amendments:

Page 1, line 4, after "AGREEMENTS" insert "AND COMPENSATION PLAN"

Page 1, after line 15, insert:

"Subd. 4. **State Residential Schools Education Association.** The labor agreement between the state of Minnesota and the State Residential Schools Education Association, approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 15, 2016, is ratified.

Subd. 5. **Office of Higher Education Unclassified Personnel Compensation Plan.** The Office of Higher Education Unclassified Personnel Compensation Plan, as modified and approved by the Legislative Coordinating Commission Subcommittee on Employee Relations on January 15, 2016, is ratified."

Amend the title as follows:

Page 1, line 2, before the period, insert "; approving a compensation plan"

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. 3269, A bill for an act relating to health care; requiring commissioner of health to award a grant to study low retention rates for advanced practice registered nurses in primary care practice; appropriating money.

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.

Loon from the Committee on Education Finance to which was referred:

H. F. No. 3273, A bill for an act relating to education; directing collaborative urban educator grant recipients to offer teacher preparation candidates African American history, culture, and heritage instruction; amending Laws 2015, First Special Session chapter 3, article 2, section 70, subdivision 12.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Higher Education Policy and Finance without further recommendation.

The report was adopted.

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

H. F. No. 3306, A bill for an act relating to capital investment; appropriating money for the Glacial Lakes Trail; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 3309, A bill for an act relating to commerce; regulating bullion product dealers; amending Minnesota Statutes 2014, sections 80G.01; 80G.02; 80G.03; 80G.04; 80G.05; 80G.06; 80G.07, subdivision 1; 80G.08; 80G.10; repealing Minnesota Statutes 2014, section 80G.07, subdivision 2.

Reported the same back with the following amendments:

Page 1, line 20, delete "business"

Page 2, line 22, delete "direct"

Page 2, line 23, after the period, insert "This term does not mean a natural person who has interactions with consumers for administrative purposes."

Page 3, line 2, delete "OR NOTICE OF INTENT"

Page 3, line 11, delete "60" and insert "45"

Page 3, line 18, reinstate "~~unless~~" and delete "for two years after"

Page 3, line 35, reinstate "~~secretary of state~~" and before "appropriate" insert "or"

Page 4, line 6, after "all" insert "pending criminal charges and" and after "court" insert ", including military courts," and after "years" insert ", except those relating to all petty misdemeanors, misdemeanors under sections 169A.20, 171.24, chapter 169, and the same or similar laws from other states,"

Page 4, line 7, delete the new language

Page 4, line 8, delete "one related to a driving violation, for"

Page 7, line 34, strike "in writing" and insert "an invoice, which"

Page 7, line 35, after "manner," insert "discloses"

Page 8, line 1, delete "and" and insert a comma

Page 8, line 2, strike "involved in the transaction" and insert ", and specifically identifies and describes the bullion products"

Page 8, line 6, after "content" insert ", but"

Page 8, line 12, reinstate the stricken "deliver" and delete "ship"

Page 9, line 1, reinstate the stricken language and delete the new language

Page 9, delete section 9 and insert:

"Sec. 9. Minnesota Statutes 2014, section 80G.10, subdivision 4, is amended to read:

Subd. 4. **Commissioner authority.** (a) If the commissioner determines that a person has engaged, is engaged, or is about to engage in an act, practice, or course of conduct constituting a violation of this chapter or a rule adopted or order issued under this chapter or that a person has materially aided, is materially aiding, or is about to materially aid an act, practice, or course of conduct constituting a violation of this chapter or rule adopted or order issued under this chapter the commissioner may:

(1) issue an order directing the person to cease and desist from engaging in the act, practice, or conduct or to take other action necessary or appropriate to comply with this chapter; or

(2) issue an order denying, suspending, revoking, or conditioning the registration of the ~~bullion coin~~ dealer or ~~coin~~ dealer representative.

(b) Upon issuance of an order, the commissioner shall promptly serve each person subject to the order with a copy of the order and a notice that the order has been issued. The order must include a statement of the reasons for the order and whether the commissioner will seek a civil penalty or costs of the investigation, and notice that the person must within 30 days of being served with the order, request in writing a hearing and that within 15 days after receipt of a written hearing request from the person, the matter will be scheduled for a hearing. If a person subject

to the order does not request a hearing within 30 days after the date of service of the order, the order becomes final as to that person by operation of law. If a hearing is requested, the commissioner, after notice of an opportunity for hearing to each person subject to the order, may modify or vacate the order or extend it until final determination.

(c) If a hearing is requested pursuant to paragraph (b), a hearing must be held under chapter 14 and a final order may not be issued unless the commissioner makes findings of fact and conclusions of law in a record according to chapter 14. The final order may make final, vacate, or modify the order issued under paragraph (a).

(d) If a petition for judicial review of a final order is not filed in accordance with chapter 14, the commissioner may file a certified copy of the final order with the clerk of a court of competent jurisdiction. The order so filed has the same effect as a judgment of the court and may be recorded, enforced, or satisfied in the same manner as a judgment of the court.

(e) If a person does not comply with an order under this section, the commissioner may petition a court of competent jurisdiction to enforce the order. The court may not require the commissioner to post a bond in an action or proceeding under this section. If the court finds, after service and opportunity for hearing, that the person was not in compliance with the order, the court may adjudge the person in civil contempt of the order. The court may impose a further civil penalty against the person for contempt in an amount up to \$10,000 for each violation and may grant any other relief the court determines is just and proper in the circumstances.

(f) In addition to the authority granted under this chapter, the commissioner has all the authority provided under section 45.027 to ensure compliance with this chapter."

Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 3313, A bill for an act relating to education; creating a Student Discipline Working Group to review the substance, application, and effect of Minnesota's Pupil Fair Dismissal Act and make recommendations to the legislature.

Reported the same back with the following amendments:

Page 2, line 14, after the first semicolon, insert "the Parent Advocacy Coalition for Educational Rights (PACER) Center;"

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

The report was adopted.

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

H. F. No. 3324, A bill for an act relating to agriculture; establishing an urban agriculture development pilot program; appropriating money.

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

The report was adopted.

Loon from the Committee on Education Finance to which was referred:

H. F. No. 3326, A bill for an act relating to education finance; authorizing the establishment of a continuing education program; appropriating money; requiring a report.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Higher Education Policy and Finance without further recommendation.

The report was adopted.

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

H. F. No. 3332, A bill for an act relating to education; establishing a pilot project to help struggling students in grades 3 to 5 read at grade level; 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.

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

H. F. No. 3333, A bill for an act relating to health; modifying the schedules of controlled substances; amending Minnesota Statutes 2015 Supplement, section 152.02, subdivisions 2, 5.

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

The report was adopted.

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

H. F. No. 3337, A bill for an act relating to capital investment; appropriating money for development of Lake Vermilion-Soudan Underground Mine State Park; authorizing the sale and issuance of state bonds.

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

The report was adopted.

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

H. F. No. 3363, A bill for an act relating to agriculture; establishing a good food access program to provide financial and technical assistance to increase access to affordable foods; requiring a report; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 17.

Reported the same back with the following amendments:

Page 1, lines 13 and 14, delete "finance" and insert "financial"

Page 1, line 15, delete "regional unit of government" and insert "political subdivision of the state"

Page 1, line 19, delete "as a public-private partnership"

Page 2, line 34, after the first comma, insert "trainings,"

Page 2, line 35, after "as" insert "business planning, sales projections,"

Page 3, line 7, delete "appropriate"

Page 3, line 13, after "retailers;" insert "expanding access to credit and reducing barriers to investment in underserved communities in low- and moderate-income areas;"

Page 3, line 24, after the first "account" insert "; appropriation"

Page 3, line 27, delete everything after the second "account" and insert ", including interest, is appropriated to the commissioner for the purposes of"

Page 3, delete line 28

Page 3, line 29, delete "under"

Page 3, line 30, after "financing" insert "or financial assistance"

Page 4, line 1, delete everything after the first "account" and insert a period

Page 4, delete line 2

Page 4, line 4, delete "finance" and insert "financial"

Page 4, line 8, delete "less than ten percent and no"

Page 4, line 9, after "reserved" insert "by the commissioner" and delete "contracted" and delete "to manage"

Page 4, line 10, delete "the financing and technical assistance components"

Page 4, line 21, delete "local" and insert "grocery industry representatives, community development and regional economic development representatives, political subdivisions of the state,"

Page 4, line 22, delete "and regional governments,"

Page 4, line 32, delete "financed"

Page 5, line 29, delete "grain rich" and insert "grain-rich"

Page 6, line 25, delete "chapter" and insert "section"

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

The report was adopted.

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

H. F. No. 3369, A bill for an act relating to alcohol; allowing alcohol use by sensory testing services; proposing coding for new law in Minnesota Statutes, chapter 325E.

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.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 3394, A bill for an act relating to military veterans; providing certain disclosure requirements related to veterans benefits services; requiring the commissioner of veterans affairs to develop a disclosure statement; amending Minnesota Statutes 2014, section 196.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 197.

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

The report was adopted.

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

H. F. No. 3401, A bill for an act relating to state lands; providing for valuation of bond-financed property; designating state waysides and forests; adding to and deleting from state forests and parks; authorizing sales and exchange of certain state lands; modifying state land sale and exchange provisions; allowing expedited sales of school trust lands and university lands; providing for release of certain state reversionary interest; providing for rights of state in certain common interest community; amending Minnesota Statutes 2014, sections 85.013, by adding a subdivision; 89.021, by adding a subdivision; 92.115, by adding a subdivision; 94.3495, subdivisions 2, 3, 7; Minnesota Statutes 2015 Supplement, section 94.10, subdivision 2; Laws 2012, chapter 236, section 28, subdivisions 2, 5, 9; proposing coding for new law in Minnesota Statutes, chapter 94.

Reported the same back with the following amendments:

Page 20, line 17, after the period, insert "The parcel in paragraph (c), clause (1), may be sold for less than the appraised value of the land."

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

The report was adopted.

Dettmer from the Veterans Affairs Division to which was referred:

H. F. No. 3416, A bill for an act relating to military veterans; modifying Veterans Preference Act removal hearing procedures; amending Minnesota Statutes 2015 Supplement, section 197.46.

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

The report was adopted.

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

H. F. No. 3419, A bill for an act relating to health; establishing a grant program for screening and treatment for maternal depression; establishing pilot projects to provide treatment for pregnant and postpartum women with substance use disorders; proposing coding for new law in Minnesota Statutes, chapters 145; 254B.

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. 3423, A bill for an act relating to public safety; providing for an advisory group on statewide criminal and juvenile justice information policy and funding issues; amending Minnesota Statutes 2014, section 299C.65.

Reported the same back with the following amendments:

Page 6, line 7, after "practices" insert ", individual privacy rights, and data on race and ethnicity"

Page 6, line 21, after the stricken "force" insert ", including any funding and grant requests"

Page 7, line 19, delete "appropriated" and insert "requests submitted"

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

The report was adopted.

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

H. F. No. 3433, A bill for an act relating to human services; appropriating money; modifying certain provisions governing child care programs; creating a legislative task force on child care; proposing coding for new law in Minnesota Statutes, chapter 245A.

Reported the same back with the following amendments:

Page 1, line 7, before "The" insert "(a)"

Page 1, line 18, delete "under the" and insert "in the quality rating and improvement"

Page 1, line 19, delete everything before "system"

Page 1, after line 19, insert:

"(b) The commissioner shall submit the feasibility study to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over child care by September 30, 2016."

Page 1, line 20, delete "July 1, 2017" and insert "the day following final enactment"

Page 4, line 6, delete the second "and"

Page 4, line 8, delete the period and insert "; and"

Page 4, after line 8, insert:

"(10) consider options for conducting exit interviews with providers who leave the child care field or choose not to be relicensed."

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.

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

H. F. No. 3434, A bill for an act relating to human services; modifying certain provisions governing child care programs; 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.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 3438, A bill for an act relating to higher education; appropriating money to develop educational materials to increase awareness of senior care career opportunities.

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

The report was adopted.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 3454, A bill for an act relating to commerce; requiring the implementation of a statewide education and outreach program to protect vulnerable adults, seniors, and caregivers from financial exploitation; appropriating money.

Reported the same back with the following amendments:

Page 1, line 12, delete everything after "exploitation."

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.

Schomacker from the Committee on Aging and Long-Term Care Policy to which was referred:

H. F. No. 3466, A bill for an act relating to health; establishing a health information technology grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 62J.

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. 3467, A bill for an act relating to human services; modifying certain medical assistance estate recovery requirements; amending Minnesota Statutes 2014, section 256B.15, subdivisions 1a, 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.

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

H. F. No. 3469, A bill for an act relating to crime; modifying crime and increasing sentence of interfering with a body or scene of death; amending Minnesota Statutes 2014, section 609.502, subdivision 1, by adding subdivisions.

Reported the same back with the following amendments:

Page 1, line 8, delete "2" and insert "1a"

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. 3470, A bill for an act relating to local government; providing for notice, hearing, and reverse referendum on whether a municipality may use public utility license, permit, rights, or franchise fees to raise revenue; amending Minnesota Statutes 2014, section 216B.36.

Reported the same back with the following amendments:

Page 2, line 35, delete "30" and insert "90"

Page 3, line 1, delete "30" and insert "90"

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

The report was adopted.

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

H. F. No. 3511, A bill for an act relating to state government; failure of MNsure to issue form 1095-A in a timely manner; providing compensation; appropriating money.

Reported the same back with the following amendments:

Page 1, line 8, after "equals" insert "the sum of"

Page 1, line 12, delete "plus"

Page 1, line 15, delete the period and insert "; and"

Page 1, after line 15, insert:

"(3) for individuals to whom the MNsure Board did not issue federal form 1095-A by February 1, 2016, the sum of:

(i) any penalty assessed under section 6651 of the Internal Revenue Code for failure to file an individual income tax return by the date prescribed; and

(ii) any penalty assessed under Minnesota Statutes, section 289A.60, subdivision 2a, paragraph (b)."

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

The report was adopted.

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

H. F. No. 3546, A bill for an act relating to corrections; authorizing county probation officers to supervise adult felons; amending Minnesota Statutes 2014, sections 244.19, subdivision 1; 244.20.

Reported the same back with the following amendments:

Page 2, after line 25, insert:

"(c) State employees displaced by a county's election to provide probation services under paragraph (a), clause (1) or (2), are on layoff status and, if not hired by a participating county as provided herein, may exercise their rights under layoff procedures established by law or union agreement, whichever is applicable, or elect to remain a state employee.

(d) State employees displaced by a county's election to provide probation services under paragraph (a), clause (1) or (2), and hired by the participating county shall retain all fringe benefits and recall from layoff benefits accrued by seniority and enjoyed by them while in the service of the state."

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. 3555, A bill for an act relating to human services; establishing notice and consent requirements for persons applying for coverage from a public health care program or qualified health plan; allowing applicants for health care coverage to determine the type of coverage for which the applicant is applying; amending Minnesota Statutes 2014, sections 256.01, by adding a subdivision; 256B.042, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62V.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[62V.055] ADDITIONAL NOTICE TO APPLICANTS.**

The board, in consultation with the commissioner of human services, shall include in the combined application for medical assistance, MinnesotaCare, and qualified health plan coverage available through the MNsure portal, information and notice on the following:

(1) that when an applicant submits the combined application, eligibility for subsidized coverage will be determined in the following order:

(i) medical assistance;

(ii) MinnesotaCare;

(iii) advanced premium tax credits and cost-sharing subsidies; and

(iv) qualified health plan coverage without a subsidy;

(2) persons eligible for medical assistance are not eligible for MinnesotaCare, and persons eligible for medical assistance or MinnesotaCare are not eligible for advanced premium tax credits and cost-sharing subsidies; and

(3) if a person enrolls in medical assistance, the state may claim repayment for the cost of medical care or premiums paid for that care from the person's estate.

Sec. 2. Minnesota Statutes 2014, section 256B.042, is amended by adding a subdivision to read:

Subd. 1a. **Additional notice to applicants.** An application for medical assistance must include a statement, prominently displayed, that if any person on the application enrolls in medical assistance, the state may claim repayment for the cost of medical care or premiums paid for care from that person's estate."

Amend the title as follows:

Page 1, line 4, delete "allowing applicants for health care coverage to determine the type of"

Page 1, line 5, delete "coverage for which the applicant is applying;"

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.

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

H. F. No. 3556, A bill for an act relating to medical assistance; modifying requirements for release of notice of potential claim; amending Minnesota Statutes 2014, section 256B.15, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 3586, A bill for an act relating to education; clarifying a parent's responsibility to educate a child; amending Minnesota Statutes 2014, section 120A.22, subdivision 1.

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. 3615, A bill for an act relating to medical assistance; modifying estate recovery provisions; amending Minnesota Statutes 2014, section 256B.15, subdivisions 1a, 1e, 2, by adding a subdivision.

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

The report was adopted.

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

H. F. No. 3627, A bill for an act relating to education; amending board structure and providing additional oversight for the Perpich Center for Arts Education; amending Minnesota Statutes 2014, section 129C.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 129C.

Reported the same back with the following amendments:

Page 2, line 21, after the first comma, insert "and" and delete the third comma

Page 2, line 22, delete "and section 6.65" and delete "state auditor," and delete the comma

Page 2, line 31, delete "(a)"

Page 3, delete lines 1 to 7

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

The report was adopted.

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

H. F. No. 3699, A bill for an act relating to Minnesota-produced grains; requiring a study.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **ST. CLOUD STATE UNIVERSITY; SPECIAL LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of St. Cloud may issue an on-sale wine and malt liquor intoxicating liquor license to St. Cloud State University. A license authorized by this section may be issued for space that is not compact and contiguous, provided that all the space is within the boundaries of the campus of St. Cloud State University and is included in the description of the licensed premises on the approved license application. The license under this section authorizes sales on all days of the week to persons attending events at Herb Brooks National Hockey Center, subject to the hours and days of sale restrictions in Minnesota Statutes, and any reasonable license conditions or restrictions imposed by the licensing authority. All other provisions of Minnesota Statutes not inconsistent with this section apply to the license authorized under this section.

EFFECTIVE DATE. This section is effective upon approval by the St. Cloud City Council in the manner provided by Minnesota Statutes, section 645.021, subdivisions 2 and 3.

Sec. 2. **INDIAFEST; SPECIAL LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of St. Paul may issue a temporary on-sale intoxicating liquor license to the India Association of Minnesota, a nonprofit 501(c)(3) organization, for Indiafest on the grounds of the State Capitol. The license may authorize only the sale of intoxicating malt liquor and wine. All provisions of Minnesota Statutes not inconsistent with this section apply to the license authorized by this section.

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

Sec. 3. **MAJOR LEAGUE SOCCER STADIUM; SPECIAL LICENSE.**

Notwithstanding any other law, local ordinance, or charter provision to the contrary, the city of St. Paul may issue an on-sale intoxicating liquor license to the operator of the Major League Soccer stadium located in the city of St. Paul or to entities affiliated with it for operation of food and beverage concessions at the stadium. The license may authorize sales both to persons attending any and all events, and sales in a restaurant, bar, or banquet facility at the stadium. The license authorizes sales on all days of the week. All provisions of Minnesota Statutes not inconsistent with this section apply to the license under this section. The license may be issued for a space that is not compact and contiguous, provided that the licensed premises may include only the space within the stadium or on stadium premises or grounds, as described in the approved license application.

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

Sec. 4. **JANESVILLE; SPECIAL LICENSE.**

Notwithstanding any law or ordinance to the contrary, the city of Janesville may issue an on-sale intoxicating liquor license for the Prairie Ridge Golf Club that is located at 2000 North Main Street and is owned by the city. The provisions of Minnesota Statutes not inconsistent with this section apply to the license issued under this section. The city of Janesville is deemed the licensee under this section, and the relevant provisions of Minnesota Statutes apply to the licensee as if the establishment were a municipal liquor store.

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

Sec. 5. **CITY OF MINNEAPOLIS; SPECIAL LICENSE.**

The city of Minneapolis may issue an on-sale intoxicating liquor license to a restaurant located at 5000 Hiawatha Avenue, notwithstanding any law or local ordinance or charter provision to the contrary.

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

Delete the title and insert:

"A bill for an act relating to local government licensing authority; allowing specific licenses to be issued."

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2497, 2683, 2774, 2798, 2991, 2992, 3090, 3117, 3204, 3208, 3309, 3333, 3469, 3546, 3586 and 3699 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Metsa, McNamara, Hackbarth, Anzelc, Persell, Yarusso, Ecklund, Melin, Fabian, Lueck and Kiel introduced:

H. F. No. 3726, A bill for an act relating to environment; providing for sulfate effluent permit compliance.

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

Bernardy, Clark and McDonald introduced:

H. F. No. 3727, A bill for an act relating to human services; modifying certain provisions governing medical assistance for employed persons with disabilities asset limits; seeking federal waiver authority; amending Minnesota Statutes 2015 Supplement, section 256B.057, subdivision 9.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Isaacson introduced:

H. F. No. 3728, A bill for an act relating to economic development; providing for a north metro mass transit study; appropriating money.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Albright introduced:

H. F. No. 3729, A bill for an act relating to health care; modifying spousal anti-impoverishment provisions; amending Minnesota Statutes 2014, section 256B.059, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Loeffler, Schultz and Fischer introduced:

H. F. No. 3730, A bill for an act relating to mental health; modifying the liability of counties for cost of care; amending Minnesota Statutes 2014, section 246.54, as amended.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

Garofalo introduced:

H. F. No. 3731, A bill for an act relating to public contracts; requiring state agencies, public postsecondary education institutions, and political subdivisions to timely allocate federal tax deductions for energy efficient design to the designer; proposing coding for new law in Minnesota Statutes, chapter 15.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Dehn, R., and Loonan introduced:

H. F. No. 3732, A bill for an act relating to economic development; appropriating money for an energy sector jobs initiative.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Nornes, O'Neill, Lien, McDonald and Isaacson introduced:

H. F. No. 3733, A bill for an act relating to higher education; regulating the calculation of state grant amounts; amending Minnesota Statutes 2014, sections 136A.101, subdivision 5a; 136A.121, subdivision 5.

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

Torkelson introduced:

H. F. No. 3734, A bill for an act relating to environment; authorizing drainage authorities to acquire property; creating a revolving loan fund to acquire property for riparian improvements; appropriating money; authorizing the sale and issuance of state bonds; amending Minnesota Statutes 2014, section 103E.011, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 103E.

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

Davnie introduced:

H. F. No. 3735, A bill for an act relating to education; providing tax credits for teachers and provisions addressing teacher shortages in the state; appropriating money; amending Minnesota Statutes 2014, sections 120B.11, subdivision 5; 124D.09, subdivision 10; 290.06, by adding a subdivision; Minnesota Statutes 2015 Supplement, sections 122A.60, subdivision 1; 127A.05, subdivision 6; 136A.1791, subdivisions 1, 3; proposing coding for new law in Minnesota Statutes, chapters 122A; 125A; 290.

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

Davnie introduced:

H. F. No. 3736, A bill for an act relating to criminal justice; appropriating money for job skills training for recently released inmates.

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

Fabian and Ecklund introduced:

H. F. No. 3737, A bill for an act relating to environment; providing for expedited environmental review billing option; appropriating money; amending Minnesota Statutes 2015 Supplement, section 116.07, subdivision 4d.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

McDonald, Nornes, Urdahl, Pierson, Flanagan, Atkins, Kelly, Considine, Ecklund, Carlson, Sanders and Hancock introduced:

H. F. No. 3738, A bill for an act relating to human services; modifying reimbursement rates for intermediate care facilities for persons with developmental disabilities and home and community-based services providers; amending Minnesota Statutes 2014, section 256B.5012, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 256B; repealing Minnesota Statutes 2014, section 256B.5012, subdivisions 4, 5, 6, 7, 8, 9, 10, 11, 14.

The bill was read for the first time and referred to the Committee on Aging and Long-Term Care Policy.

Hancock introduced:

H. F. No. 3739, A bill for an act relating to environment; appropriating money to assess state water infrastructure needs and funding sources; requiring reports.

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

Runbeck, Smith and Scott introduced:

H. F. No. 3740, A bill for an act relating to transportation; establishing certain safety zone requirements governing rail service colocation; amending Minnesota Statutes 2014, section 473.3994, by adding a subdivision.

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

Swedzinski introduced:

H. F. No. 3741, A bill for an act relating to local government; allowing a county board to appropriate money for a veterans memorial anywhere in the county; amending Minnesota Statutes 2014, section 375.18, subdivision 10.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Hertaus introduced:

H. F. No. 3742, A bill for an act relating to taxation; sales and use; reinstating the sales tax exemption for certain local government entities; appropriating money; repealing Laws 2015, First Special Session chapter 3, article 6, section 7.

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

Poppe introduced:

H. F. No. 3743, A bill for an act relating to agriculture; increasing bond amounts for certain grain buyers; modifying grain buyer requirements; requiring a report; amending Minnesota Statutes 2014, sections 223.17, subdivision 4; 223.175.

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

Runbeck, Loon, Uglem and Albright introduced:

H. F. No. 3744, A bill for an act relating to transportation; governing fixed guideway transit project development; establishing requirements for streetcars and certain bus rapid transit projects; amending municipal consent; amending permitted allocation of certain transportation sales tax revenues; amending Minnesota Statutes 2014, sections 174.86, subdivision 2, by adding subdivisions; 174.93, subdivision 1; 297A.992, subdivision 6; 473.3993, by adding a subdivision; 473.3994, subdivision 4, by adding a subdivision.

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

Howe and Rarick introduced:

H. F. No. 3745, A bill for an act relating to public safety; providing reimbursement for expenses related to securing a permit to carry for low-income citizens; establishing The Affordable Self-Protection Act; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 624.

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

Newton introduced:

H. F. No. 3746, A bill for an act relating to health; permitting residents of nursing facilities to electronically monitor their rooms; proposing coding for new law in Minnesota Statutes, chapter 144.

The bill was read for the first time and referred to the Committee on Aging and Long-Term Care Policy.

Newton introduced:

H. F. No. 3747, A bill for an act relating to capital investment; appropriating money for expansion of the National Sports Center in Blaine; authorizing the sale and issuance of state bonds.

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

Hansen; Clark; Persell; Mariani; Hamilton; Allen; Wagenius; Metsa; Bly; Loeffler; Murphy, E., and Dehn, R., introduced:

H. F. No. 3748, A bill for an act relating to natural resources; appropriating money for diversity recruitment pilot project.

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

Anzelc, Hackbarth, Metsa, Lueck and Ecklund introduced:

H. F. No. 3749, A bill for an act relating to natural resources; modifying land reclamation appeal provisions; amending Minnesota Statutes 2014, section 93.50.

The bill was read for the first time and referred to the Committee on Mining and Outdoor Recreation Policy.

Anzelc, Hackbarth, Metsa, Lueck and Ecklund introduced:

H. F. No. 3750, A bill for an act relating to natural resources; regulating permits to mine; modifying appeal provisions; amending Minnesota Statutes 2014, sections 93.481, subdivision 2; 93.50.

The bill was read for the first time and referred to the Committee on Mining and Outdoor Recreation Policy.

Bernardy and Clark introduced:

H. F. No. 3751, A bill for an act relating to human services; establishing an activities of daily living reimbursement system.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Daniels introduced:

H. F. No. 3752, A bill for an act relating to capital investment; appropriating money for the Mill Towns State Trail; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Mining and Outdoor Recreation Policy.

Bly introduced:

H. F. No. 3753, A bill for an act relating to state government; establishing a historic barn rehabilitation grant program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 138.

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

Bly introduced:

H. F. No. 3754, A bill for an act relating to public safety; providing for a driver's license expiration and renewal exception for Peace Corps volunteers; amending Minnesota Statutes 2014, section 171.27.

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

Loon, Erickson, Selcer and Anzelc introduced:

H. F. No. 3755, A bill for an act relating to education finance; increasing funding to the parent-child home program; amending Laws 2015, First Special Session chapter 3, article 9, section 8, subdivision 7.

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

Bernardy, Clark and McDonald introduced:

H. F. No. 3756, A bill for an act relating to human services; modifying certain provisions governing human services background studies; amending Minnesota Statutes 2014, section 245C.04, subdivision 3.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.

Hoppe, Kelly, Metsa, Yarusso, Lillie and Anzelc introduced:

H. F. No. 3757, A bill for an act relating to state government; establishing a snow angel fund with the Amateur Sports Commission; proposing coding for new law in Minnesota Statutes, chapter 240A.

The bill was read for the first time and referred to the Committee on Mining and Outdoor Recreation Policy.

Drazkowski introduced:

H. F. No. 3758, A bill for an act relating to tax increment financing; clarifying the permitted use of certain increments; amending Minnesota Statutes 2014, section 469.1763, subdivision 4.

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

Schoen and Pinto introduced:

H. F. No. 3759, A bill for an act relating to public safety; enabling law enforcement and family members to petition a court to prohibit people from possessing firearms if they pose a significant danger to themselves or others by possessing a firearm; requiring the commissioner of human services to create and maintain a centralized register of individuals who voluntarily wish to be ineligible to purchase firearms for a self-determined period of time; providing for rulemaking; amending Minnesota Statutes 2014, sections 245.041; 624.713, by adding a subdivision; 624.7131, subdivisions 1, 2; 624.7132, subdivisions 1, 2; 624.714, subdivision 4; Minnesota Statutes 2015 Supplement, section 624.713, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 214; 245.

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

Schomacker introduced:

H. F. No. 3760, A bill for an act relating to transportation; permitting certain use of vehicles bearing drive-away in-transit plates for road exams; making technical changes; amending Minnesota Statutes 2014, section 171.13, by adding a subdivision; Minnesota Statutes 2015 Supplement, section 168.053, subdivision 1.

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

Clark introduced:

H. F. No. 3761, A bill for an act relating to public safety; requiring testing of sexual assault examination kits; allowing patients to opt out of testing sexual assault examination kits; requiring peace officers to participate in recurring sexual assault investigation training; amending Minnesota Statutes 2014, section 626.8451, subdivisions 2, 3, 4, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 299C.

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

O'Neill and Franson introduced:

H. F. No. 3762, A bill for an act relating to insurance; regulating homeowner's insurance coverage; modifying day care services coverage requirements; amending Minnesota Statutes 2014, section 65A.30, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Nash and Schoen introduced:

H. F. No. 3763, A bill for an act relating to capital investment; appropriating money for security upgrades for the Capitol Complex; authorizing the sale and issuance of state bonds.

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

Considine and Loonan introduced:

H. F. No. 3764, A bill for an act relating to capital investment; appropriating money for Mankato to connect the Southview Heights area to the city sewer system; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Persell and Clark introduced:

H. F. No. 3765, A bill for an act relating to state government; appropriating money for addressing educational disparities for American Indian students.

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

Simonson introduced:

H. F. No. 3766, A bill for an act relating to telecommunications; modifying the border-to-border broadband grant program; modifying Minnesota's statewide broadband goals; appropriating money; amending Minnesota Statutes 2014, sections 116J.395, subdivisions 2, 6; 237.012; Minnesota Statutes 2015 Supplement, section 116J.394.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Drazkowski, Miller and Backer introduced:

H. F. No. 3767, A bill for an act relating to natural resources; repealing riparian buffer requirements; canceling appropriations; amending Laws 2015, First Special Session chapter 4, article 3, section 4; repealing Minnesota Statutes 2015 Supplement, sections 103B.101, subdivision 12a; 103F.48; Laws 2015, First Special Session chapter 4, article 4, section 146.

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

Considine; Johnson, C., and Loonan introduced:

H. F. No. 3768, A bill for an act relating to state government; permitting additional former corrections and human services employees to receive continued employer insurance contributions following assault on the job and permanent disability.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Kelly introduced:

H. F. No. 3769, A bill for an act relating to economic development; modifying the greater Minnesota business development public infrastructure grant program; amending Minnesota Statutes 2014, section 116J.431, subdivision 1a.

The bill was read for the first time and referred to the Committee on Job Growth and Energy Affordability Policy and Finance.

Kelly introduced:

H. F. No. 3770, A bill for an act relating to metropolitan government; modifying definition of metropolitan area; amending Minnesota Statutes 2014, section 473.121, subdivision 2.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

Schultz and Simonson introduced:

H. F. No. 3771, A bill for an act relating to liquor; repealing prohibition on the granting of an intoxicating liquor license within the Lakeside and Lester Park neighborhoods in the city of Duluth, formerly the city of Lakeside; repealing Special Laws 1891, chapter 57, chapter XII, section 5.

The bill was read for the first time and referred to the Committee on Commerce and Regulatory Reform.

Ecklund introduced:

H. F. No. 3772, A bill for an act relating to natural resources; directing certain transfers to the forest management investment account; appropriating money for private forest management assistance; amending Minnesota Statutes 2014, section 89.0385.

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

Dean, M., introduced:

H. F. No. 3773, A bill for an act relating to state government; requiring legislative approval for certain interagency agreements and fund transfers; amending Minnesota Statutes 2014, sections 62V.05, by adding a subdivision; 144.05, by adding a subdivision; 256.01, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 2850.

JOANNE M. ZOFF, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2850, A bill for an act relating to state government; authorizing fund-raising for the Minnesota State Capitol grand reopening; amending Minnesota Statutes 2014, section 15B.32, subdivision 6.

The bill was read for the first time and referred to the Committee on Government Operations and Elections Policy.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Peppin from the Committee on Rules and Legislative Administration, pursuant to rules 1.21 and 3.33, designated the following bills to be placed on the Calendar for the Day for Monday, April 4, 2016 and established a prefiling requirement for amendments offered to the following bills:

H. F. Nos. 1089, 2956, 3101 and 2613.

MOTIONS AND RESOLUTIONS

Metsa moved that his name be stricken as an author on H. F. No. 333. The motion prevailed.

Backer moved that the name of Schultz be added as an author on H. F. No. 1063. The motion prevailed.

Loonan moved that the name of Howe be added as an author on H. F. No. 1099. The motion prevailed.

Isaacson moved that the name of Zerwas be added as chief author on H. F. No. 1453. The motion prevailed.

Hamilton moved that the name of Albright be added as an author on H. F. No. 2345. The motion prevailed.

Hansen moved that the name of Wills be added as an author on H. F. No. 2408. The motion prevailed.

Zerwas moved that the name of Dehn, R., be added as an author on H. F. No. 2438. The motion prevailed.

Thissen moved that the name of Hornstein be added as an author on H. F. No. 2456. The motion prevailed.

Schultz moved that the name of Johnson, S., be added as an author on H. F. No. 2491. The motion prevailed.

Norton moved that the name of Isaacson be added as an author on H. F. No. 2546. The motion prevailed.

Norton moved that the name of Isaacson be added as an author on H. F. No. 2547. The motion prevailed.

Murphy, E., moved that the name of Isaacson be added as an author on H. F. No. 2576. The motion prevailed.

Thissen moved that his name be stricken as an author on H. F. No. 2585. The motion prevailed.

Kiel moved that the name of Hornstein be added as an author on H. F. No. 2609. The motion prevailed.

Ecklund moved that the names of Sundin, Newton and Anzels be added as authors on H. F. No. 2680. The motion prevailed.

Persell moved that the name of Hornstein be added as an author on H. F. No. 2691. The motion prevailed.

Runbeck moved that the name of Pierson be added as an author on H. F. No. 2695. The motion prevailed.

Johnson, S., moved that the name of Wills be added as an author on H. F. No. 2763. The motion prevailed.

Atkins moved that his name be stricken as an author on H. F. No. 2773. The motion prevailed.

Theis moved that the name of Torkelson be added as an author on H. F. No. 2887. The motion prevailed.

Hortman moved that the name of Isaacson be added as an author on H. F. No. 2924. The motion prevailed.

Applebaum moved that the name of Isaacson be added as an author on H. F. No. 2965. The motion prevailed.

Loeffler moved that the name of Hornstein be added as an author on H. F. No. 3060. The motion prevailed.

Schultz moved that the name of Hornstein be added as an author on H. F. No. 3218. The motion prevailed.

Albright moved that the name of Hornstein be added as an author on H. F. No. 3241. The motion prevailed.

Franson moved that the name of Heintzeman be added as an author on H. F. No. 3349. The motion prevailed.

Hamilton moved that the name of Norton be added as an author on H. F. No. 3363. The motion prevailed.

Baker moved that the name of Anderson, C., be added as an author on H. F. No. 3368. The motion prevailed.

Dean, M., moved that the names of Albright; Moran; Murphy, E.; Schoen and Persell be added as authors on H. F. No. 3467. The motion prevailed.

Slocum moved that the name of Bly be added as an author on H. F. No. 3500. The motion prevailed.

O'Neill moved that the name of Simonson be added as an author on H. F. No. 3571. The motion prevailed.

Persell moved that the name of Bly be added as an author on H. F. No. 3607. The motion prevailed.

Anzels moved that the name of Bly be added as an author on H. F. No. 3611. The motion prevailed.

Dehn, R., moved that the name of Bly be added as an author on H. F. No. 3617. The motion prevailed.

Mariani moved that the name of Bly be added as an author on H. F. No. 3618. The motion prevailed.

Hackbarth moved that the name of Heintzeman be added as an author on H. F. No. 3685. The motion prevailed.

Hackbarth moved that the name of Heintzeman be added as an author on H. F. No. 3686. The motion prevailed.

Clark moved that the name of Bly be added as an author on H. F. No. 3701. The motion prevailed.

Thissen moved that the name of Bly be added as an author on H. F. No. 3702. The motion prevailed.

Anderson, C., moved that the name of Vogel be added as an author on H. F. No. 3708. The motion prevailed.

Hamilton moved that the name of Bly be added as an author on H. F. No. 3722. The motion prevailed.

Hamilton moved that H. F. No. 871 be recalled from the Committee on Health and Human Services Reform and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Wills moved that H. F. No. 2825 be recalled from the Committee on Greater Minnesota Economic and Workforce Development Policy and be re-referred to the Committee on State Government Finance. The motion prevailed.

Franson moved that H. F. No. 3436 be recalled from the Committee on Health and Human Services Reform and be re-referred to the Committee on Health and Human Services Finance. The motion prevailed.

Pursuant to rule 4.30, Loonan moved that H. F. No. 3246 be recalled from the Committee on Civil Law and Data Practices, be given its second reading and be placed on the General Register.

A roll call was requested and properly seconded.

The question was taken on the Loonan motion and the roll was called. There were 70 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Anderson, C.	Dettmer	Hancock	Loon	Peppin	Swedzinski
Anderson, P.	Drazkowski	Heintzeman	Loonan	Petersburg	Theis
Anderson, S.	Erickson	Hertaus	Lucero	Peterson	Torkelson
Backer	Fabian	Howe	Lueck	Pierson	Uglen
Baker	Fenton	Johnson, B.	Mack	Pugh	Urdahl
Barrett	Franson	Kelly	McDonald	Quam	Vogel
Bennett	Garofalo	Kiel	McNamara	Rarick	Whelan
Christensen	Green	Knoblach	Nash	Runbeck	Wills
Cornish	Gruenhagen	Koznick	Newton	Sanders	Zerwas
Daniels	Gunther	Kresha	Nornes	Schomacker	Spk. Daudt
Davids	Hackbarth	Lesch	O'Driscoll	Scott	
Dean, M.	Hamilton	Lohmer	O'Neill	Smith	

Those who voted in the negative were:

Anzelc	Erhardt	Johnson, C.	Mariani	Norton	Simonson
Applebaum	Fischer	Johnson, S.	Marquart	Pelowski	Slocum
Atkins	Freiberg	Kahn	Masin	Persell	Sundin
Bernardy	Halverson	Laine	Metsa	Pinto	Thissen
Bly	Hansen	Liebling	Moran	Poppe	Wagenius
Carlson	Hausman	Lien	Mullery	Rosenthal	Ward
Davnie	Hilstrom	Lillie	Murphy, E.	Schoen	Yarusso
Dehn, R.	Hornstein	Loeffler	Murphy, M.	Schultz	Youakim
Ecklund	Isaacson	Mahoney	Nelson	Selcer	

The motion prevailed.

SECOND READING OF HOUSE BILLS

H. F. No. 3246 was read for the second time.

ADJOURNMENT

Peppin moved that when the House adjourns today it adjourn until 9:00 a.m., Friday, April 1, 2016. The motion prevailed.

Peppin moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Friday, April 1, 2016.

PATRICK D. MURPHY, Chief Clerk, House of Representatives