

## STATE OF MINNESOTA

## EIGHTY-FIFTH SESSION — 2007

---

 TWENTY-FIFTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MARCH 7, 2007

The House of Representatives convened at 11:30 a.m. and was called to order by Margaret Anderson Kelliher, Speaker of the House.

Prayer was offered by the Reverend Paul Rogers, House Chaplain.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abeler	Dettmer	Hausman	Liebling	Otremba	Slawik
Anderson, B.	Dill	Haws	Lieder	Ozment	Slocum
Anderson, S.	Dittrich	Heidgerken	Lillie	Paulsen	Solberg
Anzelc	Dominguez	Hilstrom	Loeffler	Paymar	Sviggum
Atkins	Doty	Hilty	Madore	Pelowski	Swails
Beard	Eastlund	Holberg	Magnus	Peppin	Thao
Benson	Eken	Hoppe	Mahoney	Peterson, A.	Thissen
Berns	Emmer	Hornstein	Mariani	Peterson, N.	Tillberry
Bigham	Erhardt	Hosch	Marquart	Peterson, S.	Tschumper
Bly	Erickson	Howes	Masin	Poppe	Urdahl
Brod	Faust	Jaros	McFarlane	Rukavina	Wagenius
Brynaert	Finstad	Johnson	McNamara	Ruth	Walker
Buesgens	Fritz	Juhnke	Moe	Ruud	Ward
Bunn	Gardner	Kalin	Morgan	Sailer	Wardlow
Carlson	Garofalo	Knuth	Morrow	Scalze	Welti
Clark	Gottwalt	Koenen	Mullery	Seifert	Westrom
Cornish	Greiling	Kohls	Murphy, E.	Sertich	Winkler
Davnie	Gunther	Kranz	Murphy, M.	Severson	Wollschlager
Dean	Hackbarth	Laine	Nelson	Shimanski	Zellers
DeLaForest	Hamilton	Lanning	Norton	Simon	Spk. Kelliher
Demmer	Hansen	Lenczewski	Olin	Simpson	

A quorum was present.

Brown, Hortman, Huntley, Kahn, Lesch, Nornes, Olson, Smith and Tingelstad were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Masin moved that further reading of the Journal be suspended and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

### PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA  
OFFICE OF THE GOVERNOR  
SAINT PAUL 55155

March 2, 2007

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives  
The State of Minnesota

Dear Speaker Kelliher:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State the following House File:

H. F. No. 87, relating to capital improvements; authorizing expenditures to predesign an Asian Pacific Cultural Center in St. Paul.

Sincerely,

TIM PAWLENTY  
Governor

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

The Honorable Margaret Anderson Kelliher  
Speaker of the House of Representatives

The Honorable James P. Metzen  
President of the Senate

I have the honor to inform you that the following enrolled Act of the 2007 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 2007</i>	<i>Date Filed 2007</i>
	87	4	10:03 a.m. March 2	March 5

Sincerely,

MARK RITCHIE  
Secretary of State

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Carlson from the Committee on Finance to which was referred:

H. F. No. 9, A bill for an act relating to taxation; providing an income and corporate franchise tax credit for qualifying investment in dairy operations; amending Minnesota Statutes 2006, section 290.06, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 290.06, is amended by adding a subdivision to read:

Subd. 34. **Dairy investment credit.** (a) A dairy investment credit is allowed against the tax due under this chapter equal to ten percent of the amount paid or incurred by the taxpayer, on the first \$500,000 of qualifying expenditures made in the qualifying period by a person who raises dairy animals in this state.

(b) For purposes of this subdivision, "qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities, if related to dairy animals;

(2) the development of pasture owned or rented by the taxpayer for the use of dairy animals; or

(3) the acquisition of equipment for dairy animal housing, for confinement, for animal feeding, for production and delivery of milk and other dairy products, and for waste management, including the following, if related to dairy animals in this state:

(i) freestall barns;

(ii) fences;

(iii) watering facilities;

(iv) feed storage and handling equipment;

(v) milking parlors;

(vi) robotic equipment;

(vii) scales;

(viii) milk storage and cooling facilities;

(ix) bulk tanks;

(x) manure pumping and storage facilities;

(xi) digesters;

(xii) equipment used to produce energy; and

(xiii) on-farm processing and refrigerated trucks for delivery of milk and other dairy products.

Qualifying expenditures, other than expenditures for development of pasture, only include amounts that are capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures for development of pasture must not include land acquisition and are limited to soil preparation expenses, seed costs, planting costs, and weed control, which are allowed once for each acre owned or rented by the taxpayer for the use of dairy animals and developed into pasture during the qualifying period.

(c) The credit is limited to the liability for tax, as computed under this chapter for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a dairy investment credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year is carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this paragraph shall not exceed the taxpayer's liability for tax less the dairy investment credit for the taxable year.

(d) The qualifying period is that time after December 31, 2006, and before January 1, 2013.

(e) The \$50,000 maximum credit applies at the entity level for partnerships, S corporations, trusts, and estates as well as at the individual level. In the case of married individuals, the credit is limited to \$50,000 for a married couple.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2006.

Sec. 2. Minnesota Statutes 2006, section 290.06, is amended by adding a subdivision to read:

Subd. 35. **Livestock investment credit.** (a) A livestock investment credit is allowed against the tax due under this chapter equal to ten percent of the amount paid or incurred by the taxpayer on the first \$100,000 of qualifying expenditures made in the qualifying period by a person who raises livestock in this state.

(b) For purposes of this subdivision, "livestock" has the meaning given in section 31.59, subdivision 3, and "qualifying expenditures" means the amount spent for:

(1) the acquisition, construction, or improvement of buildings or facilities, if related to livestock;

(2) the development of pasture owned or rented by the taxpayer for use by livestock; or

(3) the acquisition of equipment for livestock housing, confinement, animal feeding, production and delivery of livestock products, and waste management, including the following, if related to livestock in this state:

(i) birthing, rearing, and feedlot structures;

(ii) feed storage and handling equipment;

(iii) fences;

(iv) watering facilities;

(v) scales;

(vi) manure pumping and storage facilities;

(vii) digesters; and

(viii) equipment used to produce energy.

(c) Qualifying expenditures, other than expenditures for development of pasture, only include amounts that are capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. Qualifying expenditures for development of pasture must not include land acquisition and are limited to soil preparation expenses, seed costs, planting costs, and weed control, which are allowed once for each acre owned or rented by the taxpayer for the use by livestock and developed into pasture during the qualifying period.

(d) The credit is limited to the liability for tax, as computed under this chapter for the taxable year. If the amount of the credit determined under this section for any taxable year exceeds this limitation, the excess is a livestock investment credit carryover to each of the 15 succeeding taxable years. The entire amount of the excess unused credit for the taxable year is carried first to the earliest of the taxable years to which the credit may be carried and then to each successive year to which the credit may be carried. The amount of the unused credit which may be added under this paragraph shall not exceed the taxpayer's liability for tax less the livestock investment credit for the taxable year.

(e) The qualifying period is that time after December 31, 2006, and before January 1, 2008.

(f) The \$10,000 maximum credit applies at the entity level for partnerships, S corporations, trusts, and estates, as well as at the individual level. In the case of married individuals, the credit is limited to \$10,000 for a married couple.

(g) To be eligible for the livestock investment credit in this subdivision, a taxpayer must apply to the commissioner of agriculture for a tax credit certificate. The application must be made on forms prescribed by the commissioner of agriculture and must include a statement of the qualifying expenditures made during the qualifying period.

(h) The livestock investment credit for all taxpayers combined during the qualifying period is \$1,000,000. The commissioner of agriculture shall certify credits in the order the forms required under paragraph (g) are received and approved by the commissioner of agriculture, until the maximum credit for all taxpayers has been reached. The commissioner of agriculture shall notify in writing any taxpayer who applies for a tax credit certificate and is ineligible under the provisions of this subdivision and any taxpayer whose application is received or reviewed after the \$1,000,000 credit limit has been reached.

**EFFECTIVE DATE.** This section is effective for the taxable year beginning January 1, 2007."

Delete the title and insert:

"A bill for an act relating to taxation; providing income and corporate franchise tax credits for qualifying investments in dairy operations and livestock; amending Minnesota Statutes 2006, section 290.06, by adding subdivisions."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 158, A bill for an act relating to sales and use taxes; exempting construction and other materials used in livestock farming operations; amending Minnesota Statutes 2006, section 297A.69, subdivisions 2, 3, 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 297A.61, subdivision 12, is amended to read:

Subd. 12. **Farm machinery.** (a) "Farm machinery" means new or used machinery, equipment, implements, accessories, and contrivances used directly and principally in agricultural production of tangible personal property intended to be sold ultimately at retail including, but not limited to:

(1) machinery for the preparation, seeding, or cultivation of soil for growing agricultural crops;

(2) barn cleaners, milking systems, ~~grain dryers~~ drying systems, grain bins, other feed and forage storage bins and equipment, including silage bagging systems, concrete bunkers and silos, feeding systems including stationary feed bunks, and similar installations, whether or not the equipment is installed by the seller and becomes part of the real property; and

(3) irrigation equipment sold for exclusively agricultural use, including pumps, pipe fittings, valves, sprinklers, and other equipment necessary to the operation of an irrigation system when sold as part of an irrigation system, whether or not the equipment is installed by the seller and becomes part of the real property.

(b) Farm machinery includes machinery for the maintenance of land in state or federal agricultural programs.

(c) Farm machinery does not include:

(1) repair or replacement parts;

(2) tools, shop equipment, ~~grain bins,~~ fencing material, communication equipment, and other farm supplies;

(3) motor vehicles taxed under chapter 297B;

(4) snowmobiles or snow blowers;

(5) lawn mowers except those used in the production of sod for sale, or garden-type tractors or garden tillers; or

(6) machinery, equipment, implements, accessories, and contrivances used directly in the production of horses not raised for slaughter, fur-bearing animals, or research animals.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after January 1, 2007.

Sec. 2. Minnesota Statutes 2006, section 297A.69, subdivision 2, is amended to read:

Subd. 2. **Materials consumed in agricultural production.** Materials stored, used, or consumed in agricultural production of personal property intended to be sold ultimately at retail are exempt, whether or not the item becomes an ingredient or constituent part of the property produced. Materials that qualify for this exemption include, but are not limited to, the following:

- (1) feeds, seeds, trees, fertilizers, and herbicides, including when purchased for use by farmers in a federal or state farm or conservation program;
- (2) materials sold to a veterinarian to be used or consumed in the care, medication, and treatment of agricultural production animals and horses;
- (3) chemicals, including chemicals used for cleaning food processing machinery and equipment;
- (4) materials, including chemicals, fuels, and electricity purchased by persons engaged in agricultural production to treat waste generated as a result of the production process;
- (5) fuels, electricity, gas, and steam used or consumed in the production process, ~~except that including~~ electricity, gas, or steam used for space heating, cooling, or lighting is exempt if (i) it is in excess of the average climate control or lighting for the production area, and (ii) it is necessary to produce that particular product; of farm buildings and lighting around farm buildings, except for heating, cooling, and lighting of residential buildings;
- (6) petroleum products and lubricants;
- (7) packaging materials, including returnable containers used in packaging food and beverage products; ~~and~~
- (8) accessory tools and equipment that are separate detachable units with an ordinary useful life of less than 12 months used in producing a direct effect upon the product-;
- (9) interior crates, partitions, calf hutches, cow mats and mattresses, and syringes and needles for livestock as defined in section 17A.03, subdivision 5; and
- (10) building materials used in construction of buildings and interior and exterior housing and containment facilities for livestock, as defined in section 17A.03, subdivision 5.

Machinery, equipment, implements, tools, accessories, appliances, contrivances, and furniture and fixtures, except those listed in this clause are not included within this exemption.

**EFFECTIVE DATE.** This section is effective beginning with sales and purchases made after January 1, 2007.

Sec. 3. Minnesota Statutes 2006, section 297A.69, subdivision 3, is amended to read:

Subd. 3. **Repair and replacement parts.** Repair and replacement parts, ~~except tires,~~ used for maintenance or repair of farm machinery, logging equipment, and aquaculture production equipment are exempt, if the part replaces a machinery part assigned a specific or generic part number by the manufacturer of the machinery.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after January 1, 2007.

Sec. 4. Minnesota Statutes 2006, section 297A.69, subdivision 4, is amended to read:

Subd. 4. **Machinery, equipment, and fencing.** The following machinery, equipment, and fencing is exempt:

- (1) farm machinery;
- (2) logging equipment, including chain saws used for commercial logging;

(3) fencing used for the containment of ~~farmed cervidae, as defined in section 35.153, subdivision 3~~ livestock as defined in section 17A.03, subdivision 5;

(4) primary and backup generator units used to generate electricity for the purpose of operating farm machinery, aquacultural production equipment, or logging equipment, or providing light or space heating necessary for the production of livestock, dairy animals, dairy products, or poultry and poultry products; and

(5) aquaculture production equipment.

**EFFECTIVE DATE.** This section is effective for sales and purchases made after January 1, 2007."

Delete the title and insert:

"A bill for an act relating to sales and use taxes; expanding the definition of farm machinery; exempting construction and other materials used in livestock farming operations; amending Minnesota Statutes 2006, sections 297A.61, subdivision 12; 297A.69, subdivisions 2, 3, 4."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 163, A bill for an act relating to local government; authorizing the city of Duluth to establish accounts to pay for postemployment benefits owed to retired employees and to generate revenue dedicated to meet certain city obligations; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 11A; 353.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[11A.235] ACCOUNT FOR INVESTMENT OF CERTAIN DULUTH FUNDS OR ASSETS.**

Subdivision 1. **Establishment.** The State Board of Investment, when requested by the city of Duluth, may invest the funds or assets of the city's community investment trust fund in a special account for that purpose in the combined investment funds established in section 11A.14, subject to the policies and procedures established by the State Board of Investment. Use of the funds in the account is restricted to debt service payments for the city's street improvement program or to any other use approved in accordance with Section 54(E) of the home rule charter of the city of Duluth.

Subd. 2. **Account maintenance and investment.** The city may deposit money in the account and may withdraw money from the account for purposes approved by the Duluth City Council in accordance with Section 54(E) of the home rule charter of the city of Duluth. Such transactions must be at a time and in a manner required by the executive director of the State Board of Investment. Investment earnings must be credited to the account of the city. The account may be terminated by the city at any time.

**EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day following the day on which the chief clerical officer of the city of Duluth timely completes its compliance with Minnesota Statutes, section 645.021, subdivision 3, following approval by the Duluth City Council in compliance with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 2. **[353.95] ACCOUNT FOR DULUTH POSTEMPLOYMENT BENEFITS.**

**Subdivision 1. Establishment.** The Public Employees Retirement Association may administer an account representing the irrevocable trust fund established by the city of Duluth to be used only to fund and pay for the postemployment benefits owed to retired employees in accordance with language contained in labor agreements between the city and its employee bargaining units, or between participating subgroups in the city's health plan and their retirees. The city of Duluth investment committee shall serve as trustee of the irrevocable trust.

**Subd. 2. Definition.** For purposes of this section, "postemployment benefit" means a benefit giving rise to a liability under Statement 45 of the Governmental Accounting Standards Board, and therefore does not include benefits to be paid by a Minnesota public pension plan listed in section 356.20, subdivision 2, or 356.30, subdivision 3, and benefits provided on a defined contribution individual account basis.

**Subd. 3. Account maintenance and investment.** (a) The Public Employees Retirement Association may charge the city fees for reasonable administrative costs, and the amount of those fees is appropriated to the association from the account. The Public Employees Retirement Association may establish other terms and conditions for participation in the account.

(b) The Public Employees Retirement Association must certify all money in the account to the State Board of Investment for investment in the combined investment funds established in section 11A.14, subject to the policies and procedures established by the State Board of Investment. Investment earnings must be credited to the account of the city.

**Subd. 4. Management and termination of account.** The city may deposit money in the account and may withdraw money from the account as needed for postemployment benefits owed on behalf of retired employees of the city or its subgroups. Such transactions must be at a time and in a manner required by the executive director of the Public Employees Retirement Association. The city of Duluth must ensure that the investment and management of the assets complies with the prudent investor rule in section 501B.151 and that withdrawals comply with the requirements of this section. The account may be terminated only to the extent the city's postemployment benefit actuarial liability is satisfied or otherwise defeased.

**Subd. 5. Status of irrevocable fund.** (a) All money in the account representing the irrevocable fund created in this section is held in trust for the exclusive benefit of retired employees of the city and of subgroups participating in the city's health plan, and is not subject to claims by creditors of the state, the city, the city's subgroups, or the current and former employees of the city or its subgroups.

(b) The irrevocable trust fund underlying the account created in this section must be deemed an arrangement equivalent to a trust for all legal purposes.

**EFFECTIVE DATE; LOCAL APPROVAL.** This section is effective the day following the day on which the chief clerical officer of the city of Duluth timely completes its compliance with Minnesota Statutes, section 645.021, subdivision 3, following approval by the Duluth City Council in compliance with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 3. **INTENT AND PURPOSE; NO PRECEDENT.**

(a) Sections 1 and 2 are intended to resolve specific expenditure and funding issues that have arisen in the city of Duluth.

(b) Nothing in sections 1 and 2 may be interpreted as establishing a precedent for potential solutions to postemployment benefit expenditure and funding problems in other jurisdictions that may be fashioned by the 2007 legislature.

Sec. 4. **ADDITIONAL RATE OF RETURN ANALYSIS; ANNUAL REPORT BY STATE BOARD OF INVESTMENT.**

(a) The State Board of Investment shall annually perform an additional analysis of the rate of investment return using a value-added analysis for the investment fund into which the irrevocable trust fund assets have been deposited under section 2.

(b) In making its value-added investment performance analysis, the board shall compare its rate of return with the rates of return that it could have achieved in treasury bill investments and with the rates of return that it could have achieved in investments in the applicable indices combined, in a manner that adjusts for the board's actual portfolio mix.

(c) The board shall annually file a report on the additional rate of return analysis with the Legislative Reference Library on or before November 1.

**EFFECTIVE DATE.** This section is effective June 30, 2007."

Delete the title and insert:

"A bill for an act relating to local government; authorizing the city of Duluth to establish accounts to pay for postemployment benefits owed to retired employees and to generate revenue dedicated to meet certain city obligations; requiring an analysis and report; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 11A; 353."

With the recommendation that when so amended the bill pass.

The report was adopted.

Clark from the Housing Policy and Finance and Public Health Finance Division to which was referred:

H. F. No. 166, A bill for an act relating to landlord and tenant; providing for uniform residential tenant reports; amending Minnesota Statutes 2006, section 504B.173, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 504B.

Reported the same back with the following amendments:

Page 2, line 5, delete the comma and after "fee" insert ", other than the refundable update fee provided in subdivision 4."

Page 2, after line 5, insert:

"Subd. 4. **Refundable update fee.** A landlord may charge a fee, not to exceed \$30, to cover the actual cost of obtaining an update of a uniform residential tenant report. If the updated information does not include any material negative changes with respect to criteria used by the landlord for screening purposes, the update fee must be refunded to the applicant."

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Public Safety and Civil Justice.

The report was adopted.

Otremba from the Committee on Agriculture, Rural Economies and Veterans Affairs to which was referred:

H. F. No. 276, A bill for an act relating to health care; modifying the definition of income for self-employed farmers in MinnesotaCare; amending Minnesota Statutes 2006, section 256L.01, subdivision 4.

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

The report was adopted.

Atkins from the Committee on Commerce and Labor to which was referred:

H. F. No. 305, A bill for an act relating to health; establishing the Freedom to Breathe Act of 2007; establishing public policy to protect employees and the general public from the known hazards of secondhand smoke; requiring persons to refrain from smoking in certain areas; amending Minnesota Statutes 2006, sections 144.412; 144.413, subdivisions 2, 4, by adding subdivisions; 144.414; 144.416; 144.417; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 2006, section 144.415.

Reported the same back with the following amendments:

Page 3, line 10, before "Smoking" insert "(a)"

Page 3, after line 20, insert:

"(b) Sections 144.414 to 141.417 become effective for bars and restaurants on January 1, 2009. Bars and restaurants that voluntarily adopt and comply with the requirements described in sections 144.414 to 141.417 prior to January 1, 2009, are exempt from the liquor gross receipts tax imposed under section 295.75, subdivision 2, from the first day of the calendar month following the date the bar or restaurant adopts and complies with this prohibition through December 31, 2008. This tax exemption may apply to any bar or restaurant, regardless of whether it is currently subject to a local smoking regulation, so long as it meets the exemption requirements set out in this paragraph."

Page 3, line 33, delete everything after the first "room"

Page 3, line 34, delete everything before the period and insert "maintained in accordance with applicable state and federal laws"

Page 6, after line 18, insert:

"Sec. 11. Minnesota Statutes 2006, section 295.75, subdivision 2, is amended to read:

Subd. 2. **Gross receipts tax imposed.** (a) A tax is imposed on each liquor retailer equal to 2.5 percent of gross receipts from retail sales in Minnesota of liquor.

(b) Paragraph (a) does not apply to a liquor retailer that is exempt under Minnesota Statutes, section 144.414, subdivision 1, paragraph (b)."

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 5, after the first semicolon, insert "exempting certain establishments from liquor gross receipts tax for voluntary compliance;"

Correct the title numbers accordingly

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 446, A bill for an act relating to the environment; restricting outdoor light pollution; proposing coding for new law in Minnesota Statutes, chapter 116.

Reported the same back with the following amendments:

Page 1, line 16, delete "Full" in both places

Page 2, line 7, delete the first comma and insert "or" and delete ", maintained, or operated"

Page 2, line 9, delete "full"

With the recommendation that when so amended the bill be re-referred to the Committee on Local Government and Metropolitan Affairs without further recommendation.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 455, A bill for an act relating to public defense; updating and clarifying public defense provisions of law; eliminating defendant representation co-payments; providing for appointment of a chief public defender; amending Minnesota Statutes 2006, sections 270A.03, subdivision 5; 611.14; 611.17; 611.20, subdivision 6; 611.215, subdivisions 1, 1a; 611.23; 611.24; 611.25, subdivision 1; 611.26, subdivisions 2, 6, 7; 611.27, subdivisions 13, 15; 611.35; repealing Minnesota Statutes 2006, section 611.20, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 270A.03, subdivision 5, is amended to read:

Subd. 5. **Debt.** "Debt" means a legal obligation of a natural person to pay a fixed and certain amount of money, which equals or exceeds \$25 and which is due and payable to a claimant agency. The term includes criminal fines imposed under section 609.10 or 609.125, fines imposed for petty misdemeanors as defined in section 609.02, subdivision 4a, and restitution. ~~The term also includes the co-payment for the appointment of a district public defender imposed under section 611.17, paragraph (c).~~ A debt may arise under a contractual or statutory obligation, a court order, or other legal obligation, but need not have been reduced to judgment.

A debt includes any legal obligation of a current recipient of assistance which is based on overpayment of an assistance grant where that payment is based on a client waiver or an administrative or judicial finding of an intentional program violation; or where the debt is owed to a program wherein the debtor is not a client at the time notification is provided to initiate recovery under this chapter and the debtor is not a current recipient of food support, transitional child care, or transitional medical assistance.

A debt does not include any legal obligation to pay a claimant agency for medical care, including hospitalization if the income of the debtor at the time when the medical care was rendered does not exceed the following amount:

- (1) for an unmarried debtor, an income of \$8,800 or less;
- (2) for a debtor with one dependent, an income of \$11,270 or less;
- (3) for a debtor with two dependents, an income of \$13,330 or less;
- (4) for a debtor with three dependents, an income of \$15,120 or less;
- (5) for a debtor with four dependents, an income of \$15,950 or less; and
- (6) for a debtor with five or more dependents, an income of \$16,630 or less.

The income amounts in this subdivision shall be adjusted for inflation for debts incurred in calendar years 2001 and thereafter. The dollar amount of each income level that applied to debts incurred in the prior year shall be increased in the same manner as provided in section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, 2000, except that for the purposes of this subdivision the percentage increase shall be determined from the year starting September 1, 1999, and ending August 31, 2000, as the base year for adjusting for inflation for debts incurred after December 31, 2000.

Debt also includes an agreement to pay a MinnesotaCare premium, regardless of the dollar amount of the premium authorized under section 256L.15, subdivision 1a.

Sec. 2. Minnesota Statutes 2006, section 590.05, is amended to read:

**590.05 INDIGENT PETITIONERS.**

A person financially unable to obtain counsel who desires to pursue the remedy provided in section 590.01 may apply for representation by the state public defender. The state public defender shall represent such person under the applicable provisions of sections 611.14 to 611.27, if the person has not already had a direct appeal of the conviction. ~~If, however, the person pled guilty and received a presumptive sentence or a downward departure in sentence, and the state public defender reviewed the person's case and determined that there was no basis for an appeal of the conviction or of the sentence, then the state public defender may decline to represent the person in a postconviction remedy case.~~ The state public defender may represent, without charge, all other persons pursuing a postconviction remedy under section 590.01, who are financially unable to obtain counsel.

Sec. 3. Minnesota Statutes 2006, section 611.14, is amended to read:

**611.14 RIGHT TO REPRESENTATION BY PUBLIC DEFENDER.**

The following persons who are financially unable to obtain counsel are entitled to be represented by a public defender:

(1) a person charged with a felony, gross misdemeanor, or misdemeanor including a person charged under sections 629.01 to 629.29;

(2) a person appealing from a conviction of a felony or gross misdemeanor, or a person convicted of a felony or gross misdemeanor, who is pursuing a postconviction proceeding and who has not already had a direct appeal of the conviction, ~~but if the person pled guilty and received a presumptive sentence or a downward departure in sentence, and the state public defender reviewed the person's case and determined that there was no basis for an appeal of the conviction or of the sentence, then the state public defender may decline to represent the person in a postconviction remedy case;~~

(3) a person who is entitled to be represented by counsel under section 609.14, subdivision 2; or

(4) a minor ten years of age or older who is entitled to be represented by counsel under section 260B.163, subdivision 4, or 260C.163, subdivision 3.

Sec. 4. Minnesota Statutes 2006, section 611.17, is amended to read:

**611.17 FINANCIAL INQUIRY; STATEMENTS; CO-PAYMENT.**

~~Subdivision 1. Standards for district public defense eligibility.~~ (a) Each judicial district must screen requests for representation by the district public defender. A defendant is financially unable to obtain counsel if:

(1) the defendant, or any dependent of the defendant who resides in the same household as the defendant, receives means-tested governmental benefits; or

(2) the defendant, through any combination of liquid assets and current income, would be unable to pay the reasonable costs charged by private counsel in that judicial district for a defense of the same matter.

(b) Upon a request for the appointment of counsel, the court shall make appropriate inquiry into the financial circumstances of the applicant, who shall submit a financial statement under oath or affirmation setting forth the applicant's assets and liabilities, including the value of any real property owned by the applicant, whether homestead or otherwise, less the amount of any encumbrances on the real property, the source or sources of income, and any other information required by the court. The applicant shall be under a continuing duty while represented by a public defender to disclose any changes in the applicant's financial circumstances that might be relevant to the applicant's eligibility for a public defender. The state public defender shall furnish appropriate forms for the financial statements. The forms must contain conspicuous notice of the applicant's continuing duty to disclose to the court changes in the applicant's financial circumstances. ~~The forms must also contain conspicuous notice of the applicant's obligation to make a co-payment for the services of the district public defender, as specified under paragraph (e).~~ The information contained in the statement shall be confidential and for the exclusive use of the court and the public defender appointed by the court to represent the applicant except for any prosecution under section 609.48. A refusal to execute the financial statement or produce financial records constitutes a waiver of the right to the appointment of a public defender. The court shall not appoint a district public defender to a defendant who is financially able to retain private counsel but refuses to do so.

An inquiry to determine financial eligibility of a defendant for the appointment of the district public defender shall be made whenever possible prior to the court appearance and by such persons as the court may direct. This inquiry may be combined with the prerelease investigation provided for in Minnesota Rule of Criminal Procedure 6.02, subdivision 3. In no case shall the district public defender be required to perform this inquiry or investigate the defendant's assets or eligibility. The court has the sole duty to conduct a financial inquiry. The inquiry must include the following:

- (1) the liquidity of real estate assets, including the defendant's homestead;
- (2) any assets that can be readily converted to cash or used to secure a debt;
- (3) the determination of whether the transfer of an asset is voidable as a fraudulent conveyance; and

(4) the value of all property transfers occurring on or after the date of the alleged offense. The burden is on the accused to show that he or she is financially unable to afford counsel. Defendants who fail to provide information necessary to determine eligibility shall be deemed ineligible. The court must not appoint the district public defender as advisory counsel.

~~(e) Upon appointment of the public defender, an individual who receives public defender services shall be obligated to pay to the court a co-payment for representation provided by a public defender. The co-payment shall be according to the following schedule:~~

- ~~(1) if the person was charged with a felony, \$200;~~
- ~~(2) if the person was charged with a gross misdemeanor, \$100; or~~
- ~~(3) if the person was charged with a misdemeanor, \$50.~~

~~If the person is a child and was appointed counsel under the provisions of section 260B.163, subdivision 4, the parents of the child shall pay to the court a co-payment of \$100. If the person is a parent of a child and the parent was appointed counsel under the provisions of section 260C.163, subdivision 3, the parent shall pay to the court a co-payment of \$200.~~

~~If a term of probation is imposed as a part of an offender's sentence, the co-payment required by this section must not be made a condition of probation. The co-payment required by this section is a civil obligation and must not be made a condition of a criminal sentence. Collection of the co-payment may be made through the provisions of chapter 270A, the Revenue Recapture Act.~~

~~(d) All public defender co-pay revenue collected under paragraph (c) and revenues less statutory fees collected under chapter 270A shall be deposited in the public defender co-pay account in the special revenue fund.~~

~~The first \$2,740,000 deposited in the public defender co-pay account must be transferred to the general fund. This is not an annual transfer. Receipts in excess of the first \$2,740,000 are appropriated to the Board of Public Defense for public defender services.~~

Sec. 5. Minnesota Statutes 2006, section 611.20, subdivision 6, is amended to read:

Subd. 6. **Reimbursement schedule guidelines.** In determining a defendant's reimbursement schedule, the court may derive a specific dollar amount per month by multiplying the defendant's net income by the percent indicated by the following guidelines:

Net Income Per Month of defendant	Number of Dependents Not Including Defendant				
	4 or more	3	2	1	0
\$200 and Below	Percentage based on the ability of the defendant to pay as determined by the court.				
\$200 - 350	8%	9.5%	11%	12.5%	14%
\$351 - 500	9%	11%	12.5%	14%	15%
\$501 - 650	10%	12%	14%	15%	17%
\$651 - 800	11%	13.5%	15.5%	17%	19%
\$801 and above	12%	14.5%	17%	19%	20%

~~"Net income" shall have the meaning given it in section 518.551, subdivision 5.~~

Sec. 6. Minnesota Statutes 2006, section 611.215, subdivision 1, is amended to read:

Subdivision 1. **Structure; membership.** (a) The State Board of Public Defense is a part of, but is not subject to the administrative control of, the judicial branch of government. The State Board of Public Defense shall consist of seven members including:

(1) four attorneys admitted to the practice of law, well acquainted with the defense of persons accused of crime, but not employed as prosecutors, appointed by the Supreme Court; and

(2) three public members appointed by the governor.

~~After the expiration of the terms of persons appointed to the board before March 1, 1991, The appointing authorities may not appoint a person who is a judge to be a member of the State Board of Public Defense, other than as a member of the ad hoc Board of Public Defense.~~

(b) All members shall demonstrate an interest in maintaining a high quality, independent defense system for those who are unable to obtain adequate representation. Appointments to the board shall include qualified women and members of minority groups. At least three members of the board shall be from judicial districts other than the First, Second, Fourth, and Tenth Judicial Districts. The terms, compensation, and removal of members shall be as provided in section 15.0575. The chair shall be elected by the members from among the membership for a term of two years.

(c) In addition, the State Board of Public Defense shall consist of a nine-member ad hoc board when considering the appointment of district public defenders under section 611.26, subdivision 2. The terms of chief district public defenders currently serving shall terminate in accordance with the staggered term schedule set forth in section 611.26, subdivision 2.

Sec. 7. Minnesota Statutes 2006, section 611.215, subdivision 1a, is amended to read:

Subd. 1a. **Chief administrator.** The State Board of Public Defense, with the advice of the state public defender, shall appoint a chief administrator who must be chosen solely on the basis of training, experience, and other qualifications, and who will serve at the pleasure of the ~~state public defender~~ State Board of Public Defense. The chief administrator need not be licensed to practice law. The chief administrator shall attend all meetings of the board, but may not vote, and shall:

- (1) enforce all resolutions, rules, regulations, or orders of the board;
- (2) present to the board and the state public defender plans, studies, and reports prepared for the board's and the state public defender's purposes and recommend to the board and the state public defender for adoption measures necessary to enforce or carry out the powers and duties of the board and the state public defender, or to efficiently administer the affairs of the board and the state public defender;
- (3) keep the board fully advised as to its financial condition, and prepare and submit to the board its annual budget and other financial information as it may request;
- (4) recommend to the board the adoption of rules and regulations necessary for the efficient operation of the board and its functions; and
- (5) perform other duties prescribed by the board and the state public defender.

Sec. 8. Minnesota Statutes 2006, section 611.23, is amended to read:

**611.23 OFFICE OF STATE PUBLIC DEFENDER; APPOINTMENT; SALARY.**

The state public defender is responsible to the State Board of Public Defense. The state public defender shall supervise the operation, activities, policies, and procedures of the statewide public defender system. When requested by a district public defender or appointed counsel, the state public defender may assist the district public defender, appointed counsel, or an organization designated in section 611.216 in the performance of duties, including trial representation in matters involving legal conflicts of interest or other special circumstances, and assistance with legal research and brief preparation. The state public defender shall be appointed by the State Board of Public Defense for a term of four years, except as otherwise provided in this section, and until a successor is appointed and qualified. The state public defender shall be a full-time qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state, and be removed only for cause by the appointing authority. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The salary of the state public defender shall be fixed by the State Board of Public Defense but must not exceed the salary of a district court judge. Terms of the state public defender shall commence on July 1. The state public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

Sec. 9. Minnesota Statutes 2006, section 611.24, is amended to read:

**611.24 CHIEF APPELLATE PUBLIC DEFENDER; ORGANIZATION OF OFFICE; ASSISTANTS.**

~~The state public defender shall supervise the operation, activities, policies and procedures of the state public defender system. The state public defender shall employ or retain assistant state public defenders, a chief administrator, a deputy state (a) Beginning January 1, 2007, and for every four years after that date, the State Board of Public Defense shall appoint a chief appellate public defender in charge of appellate services, who shall employ or retain assistant state public defenders and other personnel as may be necessary to discharge the functions of the office. The chief appellate public defender shall serve a four-year term and may be removed only for cause upon the order of the State Board of Public Defense. The chief appellate public defender shall be a full-time qualified attorney, licensed to practice law in this state, and serve in the unclassified service of the state. Vacancies in the office shall be filled by the appointing authority for the unexpired term.~~

(b) An assistant state public defender shall be a qualified attorney, licensed to practice law in this state, serve in the unclassified service of the state if employed, and serve at the pleasure of the appointing authority at a salary or retainer fee not to exceed reasonable compensation for comparable services performed for other governmental agencies or departments. Retained or part-time employed assistant state public defenders may engage in the general practice of law. The compensation of the chief appellate public defender and the compensation of each assistant state public defender shall be set by the State Board of Public Defense. The chief appellate public defender shall devote full time to the performance of duties and shall not engage in the general practice of law.

(c) The incumbent deputy state public defender as of December 31, 2006, shall be appointed as the chief appellate public defender for the four-year term beginning on January 1, 2007.

Sec. 10. Minnesota Statutes 2006, section 611.25, subdivision 1, is amended to read:

Subdivision 1. **Representation.** (a) The ~~state~~ chief appellate public defender shall represent, without charge:

(1) a defendant or other person appealing from a conviction of a felony or gross misdemeanor;

(2) a person convicted of a felony or gross misdemeanor who is pursuing a postconviction proceeding and who has not already had a direct appeal of the conviction, ~~but if the person pled guilty and received a presumptive sentence or a downward departure in sentence, and the state public defender reviewed the person's case and determined that there was no basis for an appeal of the conviction or of the sentence, then the state public defender may decline to represent the person in a postconviction remedy case; and~~

(3) a child who is appealing from a delinquency adjudication or from an extended jurisdiction juvenile conviction.

(b) The ~~state~~ chief appellate public defender may represent, without charge, all other persons pursuing a postconviction remedy under section 590.01, who are financially unable to obtain counsel.

(c) ~~The state public defender shall represent any other person, who is financially unable to obtain counsel, when directed to do so by the Supreme Court or the Court of Appeals, except that The state chief appellate public defender shall not represent a person in any action or proceeding in which a party is seeking a monetary judgment, recovery or award. When requested by a district public defender or appointed counsel, the state public defender may assist the district public defender, appointed counsel, or an organization designated in section 611.216 in the performance of duties, including trial representation in matters involving legal conflicts of interest or other special circumstances, and assistance with legal research and brief preparation. When the state public defender is directed by a court to represent a defendant or other person, the state public defender may assign the representation to any district public defender.~~

Sec. 11. Minnesota Statutes 2006, section 611.26, subdivision 2, is amended to read:

Subd. 2. **Appointment; terms.** The state Board of Public Defense shall appoint a chief district public defender for each judicial district. When appointing a chief district public defender, the state Board of Public Defense membership shall be increased to include two residents of the district appointed by the chief judge of the district to reflect the characteristics of the population served by the public defender in that district. The additional members shall serve only in the capacity of selecting the district public defender. The ad hoc state Board of Public Defense shall appoint a chief district public defender only after requesting and giving reasonable time to receive any recommendations from the public, the local bar association, and the judges of the district. Each chief district public defender shall be a qualified attorney licensed to practice law in this state. The chief district public defender shall be appointed for a term of four years, beginning January 1, pursuant to the following staggered term schedule: (1) in ~~2000~~ 2008, the second and eighth districts; (2) in ~~2001~~ 2009, the first, third, fourth, and tenth districts; (3) in ~~2002~~ 2010, the fifth and ninth districts; and (4) in ~~1999~~ 2011, the sixth and seventh districts. The chief district public defenders shall serve for four-year terms and may be removed for cause upon the order of the state Board of Public Defense. Vacancies in the office shall be filled by the appointing authority for the unexpired term. The chief district public defenders shall devote full time to the performance of duties and shall not engage in the general practice of law.

Sec. 12. Minnesota Statutes 2006, section 611.26, subdivision 7, is amended to read:

Subd. 7. **Other employment.** ~~Chief district public defenders and~~ Assistant district public defenders may engage in the general practice of law where not employed on a full-time basis.

Sec. 13. Minnesota Statutes 2006, section 611.27, subdivision 3, is amended to read:

Subd. 3. **Transcript use.** If the ~~state~~ chief appellate public defender or a district public defender deems it necessary to make a motion for a new trial, to take an appeal, or other postconviction proceedings in order to properly represent a defendant or other person whom that public defender had been directed to represent, that public defender may use the transcripts of the testimony and other proceedings filed with the court administrator of the district court as provided by section 243.49.

Sec. 14. Minnesota Statutes 2006, section 611.27, subdivision 13, is amended to read:

Subd. 13. **Public defense services; correctional facility inmates.** All billings for services rendered and ordered under subdivision 7 shall require the approval of the chief district public defender before being forwarded on a monthly basis to the state public defender. In cases where adequate representation cannot be provided by the district public defender and where counsel has been appointed under a court order, the state public defender shall forward to the commissioner of finance all billings for services rendered under the court order. The commissioner shall pay for services from ~~county criminal justice aid retained by the commissioner of revenue for that purpose under section 477A.0121, subdivision 4, or from county program aid retained by the commissioner of revenue for that purpose under section 477A.0124, subdivision 1, clause (4), or 477A.03, subdivision 2b, paragraph (a).~~

The costs of appointed counsel and associated services in cases arising from new criminal charges brought against indigent inmates who are incarcerated in a Minnesota state correctional facility are the responsibility of the state Board of Public Defense. In such cases the state public defender may follow the procedures outlined in this section for obtaining court-ordered counsel.

Sec. 15. Minnesota Statutes 2006, section 611.27, subdivision 15, is amended to read:

Subd. 15. **Costs of transcripts.** In appeal cases and postconviction cases where the ~~state appellate~~ public defender's office does not have sufficient funds to pay for transcripts and other necessary expenses because it has spent or committed all of the transcript funds in its annual budget, the state public defender may forward to the commissioner of finance all billings for transcripts and other necessary expenses. The commissioner shall pay for these transcripts and other necessary expenses from ~~county criminal justice aid retained by the commissioner of revenue under section 477A.0121, subdivision 4, or from~~ county program aid retained by the commissioner of revenue for that purpose under section 477A.0124, subdivision 1, clause (4), or 477A.03, subdivision 2b, paragraph (a).

Sec. 16. Minnesota Statutes 2006, section 611.35, is amended to read:

**611.35 REIMBURSEMENT OF ~~PUBLIC DEFENDER AND APPOINTIVE~~ APPOINTED COUNSEL.**

Subdivision 1. **Reimbursement; civil obligation.** Any person who is represented by a ~~public defender or appointive appointed~~ counsel shall, if financially able to pay, reimburse the governmental unit chargeable with the compensation of ~~such public defender or appointive appointed~~ counsel for the actual costs to the governmental unit in providing the services of the ~~public defender or appointive appointed~~ counsel. The court in hearing such matter shall ascertain the amount of such costs to be charged to the defendant and shall direct reimbursement over a period of not to exceed six months, unless the court for good cause shown shall extend the period of reimbursement. If a term of probation is imposed as a part of a sentence, reimbursement of costs as required by this chapter must not be made a condition of probation. Reimbursement of costs as required by this chapter is a civil obligation and must not be made a condition of a criminal sentence.

Subd. 2. **Civil action.** The county attorney may commence a civil action to recover such cost remaining unpaid at the expiration of six months unless the court has extended the reimbursement period and shall, if it appears that such recipient of ~~public defender or appointive appointed~~ counsel services is about to leave the jurisdiction of the court or sell or otherwise dispose of assets out of which reimbursement may be obtained, commence such action forthwith. The county attorney may compromise and settle any claim for reimbursement with the approval of the court which heard the matter. No determination or action shall be taken later than two years after the termination of the duties of the ~~public defender or appointive appointed~~ counsel.

Sec. 17. **REPEALER.**

Minnesota Statutes 2006, section 611.20, subdivision 5, is repealed."

Delete the title and insert:

"A bill for an act relating to public defense; updating and clarifying public defense provisions of law; eliminating defendant representation co-payments; modifying right to representation by the public defender; requiring the state public defender to supervise the statewide public defender system; authorizing appointment of a chief appellate public defender; providing for representation by the chief appellate public defender; amending Minnesota Statutes 2006, sections 270A.03, subdivision 5; 590.05; 611.14; 611.17; 611.20, subdivision 6; 611.215, subdivisions 1, 1a; 611.23; 611.24; 611.25, subdivision 1; 611.26, subdivisions 2, 7; 611.27, subdivisions 3, 13, 15; 611.35; repealing Minnesota Statutes 2006, section 611.20, subdivision 5."

With the recommendation that when so amended the bill pass and be placed on the Consent Calendar.

The report was adopted.

Pelowski from the Committee on Governmental Operations, Reform, Technology and Elections to which was referred:

H. F. No. 492, A bill for an act relating to public safety; establishing a short-term offender advisory task force; requiring a report that includes task force recommendations on short-term offender program and reimbursing counties.

Reported the same back with the following amendments:

Page 1, line 17, after "sheriffs" insert "or administrators" and after "jails" insert "or workhouses"

Page 1, line 18, after "Association" insert "in consultation with the Association of Minnesota Counties"

Page 1, line 23, after the comma, insert "at least"

Page 2, line 6, delete "January 15" and insert "February 1"

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 539, A bill for an act relating to highways; authorizing changes to trunk highway system; amending Minnesota Statutes 2006, section 161.115, subdivision 76; repealing Minnesota Statutes 2006, section 161.115, subdivision 193.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 660, A bill for an act relating to energy; requiring development of an economic strategy to maximize state economic development benefits from the renewable electric energy industry.

Reported the same back with the following amendments:

Page 1, line 13, after "benefit" insert ", the quality of jobs created by the renewable energy activities required under section 216B.1691, and protecting the union organizing rights of workers who will fill those jobs"

With the recommendation that when so amended the bill pass.

The report was adopted.

Hilty from the Energy Finance and Policy Division to which was referred:

H. F. No. 670, A bill for an act relating to education finance; authorizing a school district to include energy efficiency improvement projects in its alternative facilities plan; amending Minnesota Statutes 2006, sections 123B.59, subdivisions 1, 2; 216C.37, subdivision 2.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on E-12 Education.

The report was adopted.

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

H. F. No. 721, A bill for an act relating to human services; providing long-term care provider rate increases; requiring the use of new nursing facility case mix indices; providing an exemption from the MinnesotaCare program prohibition on employer-subsidized coverage; requiring workforce initiatives; requiring a study of nursing facility rate rebasing; amending Minnesota Statutes 2006, sections 256B.434, by adding subdivisions; 256B.438, by adding a subdivision; 256B.5012, by adding a subdivision; 256L.07, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

## "ARTICLE 1

### LONG-TERM CARE INITIATIVES

#### Section 1. **[256.9755] LONG-TERM CARE WORKFORCE TRAINING AND DEVELOPMENT.**

Subdivision 1. **Access to standardized curriculum.** The commissioner, in cooperation with the Minnesota job skills partnership program established under chapter 116L, shall subsidize student access to the health care core curriculum developed by the Health Education-Industry Partnership, using a sliding tuition scale tied to income.

Subd. 2. **Additional workforce initiatives.** The commissioner shall develop and implement initiatives to train and increase the supply of long-term caregivers who provide specialized nursing facility care and community-based care to elderly and disabled persons with chronic care needs. The commissioner shall present to the legislature by January 15, 2008, a description of the initiatives to be implemented and draft legislation incorporating any statutory changes necessary to implement the initiatives.

Subd. 3. **Funding.** The subsidies and initiatives required by this subdivision are funded using savings to the general fund that result from nursing facility closures and downsizing.

Sec. 2. Minnesota Statutes 2006, section 256B.431, subdivision 2e, is amended to read:

Subd. 2e. **Contracts for services for ventilator-dependent persons and persons requiring other specialized services.** The commissioner may negotiate with a nursing facility eligible to receive medical assistance payments to provide services to a ventilator-dependent person; a person requiring wound vacuum and wound stimulation

equipment and care; a person requiring bariatric care, services, and equipment due to obesity; a person requiring skilled nursing services and equipment for tracheotomy care; and a person requiring other commissioner-specified complex clinical care, identified by the commissioner according to criteria developed by the commissioner, including:

- (1) nursing facility care has been recommended for the person by a preadmission screening team;
- (2) the person has been hospitalized and no longer requires inpatient acute care hospital services; and
- (3) the commissioner has determined that necessary services for the person cannot be provided under existing nursing facility rates.

The commissioner may negotiate an adjustment to the operating cost payment rate for a nursing facility with a resident who is ventilator-dependent, for that resident. The commissioner may also negotiate an adjustment to the operating cost payment rate for a resident who requires wound vacuum and wound stimulation equipment and care; bariatric care, services, and equipment due to obesity; skilled nursing services and equipment for tracheotomy care; or other complex clinical care. The negotiated adjustment must reflect only the actual additional cost of meeting the specialized care needs of ~~a ventilator-dependent person~~ the resident identified by the commissioner for whom necessary services cannot be provided under existing nursing facility rates and which are not otherwise covered under Minnesota Rules, parts 9549.0010 to 9549.0080 or 9505.0170 to 9505.0475. For persons who are initially admitted to a nursing facility before July 1, 2001, and have their payment rate under this subdivision negotiated after July 1, 2001, the negotiated payment rate must not exceed 200 percent of the highest multiple bedroom payment rate for the facility, as initially established by the commissioner for the rate year for case mix classification K; or, upon implementation of the RUG's-based case mix system, 200 percent of the highest RUG's rate. For persons initially admitted to a nursing facility on or after July 1, 2001, the negotiated payment rate must not exceed 300 percent of the facility's multiple bedroom payment rate for case mix classification K; or, upon implementation of the RUG's-based case mix system, 300 percent of the highest RUG's rate. The negotiated adjustment shall not affect the payment rate charged to private paying residents under the provisions of section 256B.48, subdivision 1.

**EFFECTIVE DATE.** This section is effective October 1, 2007.

Sec. 3. Minnesota Statutes 2006, section 256B.431, subdivision 32, is amended to read:

Subd. 32. **Payment during first 90 days.** (a) For rate years beginning on or after July 1, 2001, the total payment rate for a facility reimbursed under this section, section 256B.434, or any other section for the first 90 paid days after admission shall be:

- (1) for the first 30 paid days, the rate shall be 120 percent of the facility's medical assistance rate for each case mix class;
- (2) for the next 60 paid days after the first 30 paid days, the rate shall be 110 percent of the facility's medical assistance rate for each case mix class;
- (3) beginning with the 91st paid day after admission, the payment rate shall be the rate otherwise determined under this section, section 256B.434, or any other section; and
- (4) payments under this paragraph apply to admissions occurring on or after July 1, 2001, and before July 1, 2003, and to resident days occurring before July 30, 2003.

(b) For rate years beginning on or after July 1, 2003, the total payment rate for a facility reimbursed under this section, section 256B.434, or any other section shall be:

(1) for the first 30 calendar days after admission, the rate shall be 120 percent of the facility's medical assistance rate for each RUG class;

(2) beginning with the 31st calendar day after admission, the payment rate shall be the rate otherwise determined under this section, section 256B.434, or any other section; and

(3) payments under this paragraph apply to admissions occurring on or after July 1, 2003.

(c) Effective January 1, 2004, the enhanced rates under this subdivision shall not be allowed if a resident has resided during the previous 30 calendar days in:

(1) the same nursing facility;

(2) a nursing facility owned or operated by a related party; or

(3) a nursing facility or part of a facility that closed or was in the process of closing.

(d) For rate years beginning on or after October 1, 2007, the total payment rate for a facility reimbursed under this section, section 256B.434, or any other section shall be:

(1) for the first 60 calendar days after admission, the rate shall be 120 percent of the facility's medical assistance rate for each RUG class; and

(2) beginning with the 61st calendar day after admission, the payment rate shall be the rate otherwise determined under this section, section 256B.434, or any other section.

(e) Payments under paragraph (d) apply to admissions occurring on or after October 1, 2007.

**EFFECTIVE DATE.** This section is effective October 1, 2007.

Sec. 4. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

**Subd. 19. Rate increases for October 1, 2007, and October 1, 2008.** (a) For the rate years beginning October 1, 2007, and October 1, 2008, the commissioner shall make available to each nursing facility reimbursed under this section an adjustment equal to five percent of the total operating payment rate.

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used to increase wages and benefits and pay associated costs for all employees, except management fees, the administrator, and central office staff. Seventy-five percent of the money received by a facility as a result of the rate adjustment provided in paragraph (a) must be used only for wage and benefit increases and payment of associated costs, implemented on or after the effective date of the rate increase each year, and must not be used for increases implemented prior to that date.

(c) Nursing facilities may apply for the portion of the rate adjustment under paragraph (a) for employee wages and benefits and associated costs. The application must be made to the commissioner and contain a plan by which the nursing facility will distribute the funds according to paragraph (b). For nursing facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. The commissioner shall not review and shall not require changes to the portion or portions of the plan covered by collective bargaining agreements. A negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all increases for the rate year and signed by both parties prior to submission to the commissioner. The commissioner

shall review the plan to ensure that the rate adjustments are used as provided in paragraph (b). To be eligible, a facility must submit its distribution plan by March 31, 2008, and March 31, 2009, respectively. The commissioner may approve distribution plans on or before June 30, 2008, and June 30, 2009, respectively. If a facility's distribution plan is effective after the first day of the applicable rate period that the funds are available, the rate adjustments are effective the same date as the facility's plan.

(d) A copy of the approved distribution plan must be made available to all employees by giving each employee a copy or by posting a copy in an area of the nursing facility to which all employees have access. If an employee does not receive the wage and benefit adjustment described in the facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan.

Sec. 5. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

Subd. 20. **Funding for staff increases.** (a) For the rate year beginning October 1, 2007, the commissioner shall make available to nursing facilities reimbursed under this section an adjustment equal to one percent of the total operating payment rate.

(b) The money resulting from the rate adjustment under paragraph (a) may be used by a nursing facility only for wages, benefits, and associated costs for direct care employees hired on or after the effective date of the rate increase. For purposes of this requirement, a direct care employee means a registered nurse, licensed practical nurse, or certified nursing assistant for whom at least 75 percent of work hours are spent on direct care to patients.

(c) Nursing facilities shall apply to the commissioner for a rate increase by submitting an application form developed by the commissioner. In granting requests for rate adjustments, the commissioner shall give preference to nursing facilities that have low ratios of direct care staff to residents, or that demonstrate that an increase in direct care staff will lead to a significant improvement in the quality of care provided.

(d) The commissioner shall require nursing facilities to report information on the use of the rate adjustment, and shall monitor nursing facility compliance with the requirements of paragraph (b). The commissioner may recover money that the commissioner determines was spent inappropriately by reducing nursing facility operating payment rates in future rate years.

Sec. 6. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

Subd. 21. **Adjustments for low-payment rate facilities.** (a) For the rate years beginning October 1, 2007, and October 1, 2008, the commissioner shall adjust operating payment rates for low-payment rate nursing facilities reimbursed under this section and licensed under chapter 144A in accordance with this subdivision.

(b) The commissioner shall determine for each rate year a value for an operating payment rate with a RUG index of 1.00, such that the cost to increase the operating payment rate for all nursing facilities with operating payment rates less than that value by an amount equal to 50 percent of the difference between their operating payment rate with a RUG index equal to 1.00 and the value determined under this paragraph not to exceed an increase of six percent of a facility's operating payment rate with a RUG index equal to 1.00, does not exceed the amount appropriated for this purpose.

(c) Effective September 30, 2007, and September 30, 2008, the commissioner shall identify all nursing facilities with operating payment rates with a RUG index equal to 1.00, that are less than the value determined in paragraph (b).

(d) Effective October 1, 2007, and October 1, 2008, the commissioner shall provide each nursing facility identified in paragraph (c) with an increase in its operating payment rate with a RUG index of 1.00 that is equal to 50 percent of the difference between its operating payment rate with a RUG index equal to 1.00, and the value determined in paragraph (b), but not to exceed an increase of six percent of the operating payment rate with a RUG index equal to 1.00.

(e) The commissioner shall apportion the amount of the RUG index equal to 1.00 computed in paragraph (d) between case mix and noncase mix per diems in proportion to the amounts in effect on the September 30 immediately preceding the start of the rate year. The commissioner shall multiply the case mix portion by the RUG indices and add the noncase mix portion to that product to determine the other RUG operating rates.

(f) The rate adjustment provided in paragraph (d) shall be added after any other rate adjustments effective on the same day.

Sec. 7. Minnesota Statutes 2006, section 256B.438, is amended by adding a subdivision to read:

Subd. 8. **New case mix indices.** (a) Effective with rates for the rate year beginning October 1, 2007, the commissioner shall implement the case mix indices recommended by the time study conducted under Laws 2001, First Special Session chapter 9, article 5, section 35, paragraph (e). The commissioner shall implement the new case mix indices as follows:

(1) the September 30, 2006, case mix component of the nursing facility operating payment rate is multiplied by the new case mix indices to create 36 case mix adjusted rates;

(2) the 36 case mix adjusted rates determined in clause (1), plus the noncase mix component, shall be the 36 nursing facility operating payment rates; and

(3) any rate increases authorized by the legislature to take effect October 1, 2007, shall be applied to the rates determined under clause (2).

(b) The commissioner shall adjust the October 1, 2007, operating rates in paragraph (a) for nursing facilities estimated to receive a decrease in operating revenue. The rate interim adjustment is established as follows:

(1) the commissioner shall use the minimum data set to classify private and medical assistance patient days by resource utilization group (RUG) classification for the rate year ending June 30, 2007, according to the case mix indices to be used on September 30, 2007, and the case mix indices to be used on October 1, 2007;

(2) the commissioner shall use the resident days in clause (1) and the nursing facility's October 1, 2007, unadjusted operating payment rate to estimate operating revenue according to the case mix indices to be used on September 30, 2007, and the case mix indices to be used on October 1, 2007;

(3) the estimated operating revenue determined with the case mix indices to be used on September 30, 2007, minus the operating revenue determined with the case mix indices to be used on October 1, 2007, is equal to the difference between the decrease in medical assistance and private pay operating revenue;

(4) facilities with an estimated difference that is negative in clause (3) receive an interim rate adjustment equal to the value determined in clause (3) divided by the medical assistance and private pay resident days in clause (1);

(5) the interim rate adjustment is in effect from October 1, 2007, through June 30, 2008, and does not become part of a facility's operating payment rate after June 30, 2008. The interim rate adjustment shall be applied to the case mix portion of the facility operating rate, at a RUG weight of 1.00 and all RUG adjusted by their indices; and

(6) the commissioner, by August 15, 2007, shall provide nursing facilities which the commissioner has estimated will experience a decrease in operating revenue, with written notice that specifies the amount of the estimated decrease in operating revenue and the amount of the interim rate adjustment. Nursing facilities have 30 days to decline the interim rate adjustment.

(c) The commissioner shall adjust the July 1, 2008, operating rates of facilities receiving the interim rate adjustments in paragraph (b) and facilities that demonstrate a decrease in operating revenue from the implementation of the case mix indices. The adjustment is calculated as follows:

(1) facilities that received the interim rate adjustment in paragraph (b) shall report to the commissioner the number of medical assistance and private pay resident days by RUG classification for the six-month period October 1, 2007, through March 31, 2008, according to the case mix indices used on September 30, 2007, and the case mix indices used on October 1, 2007. A facility not receiving the rate adjustment in paragraph (b) that had a decrease in operating revenue resulting from implementation of the new case mix indices may report to the commissioner the number of medical assistance and private pay resident days by RUG classification for the six-month period October 1, 2007, through March 31, 2008, according to the case mix indices used on September 30, 2007, and the case mix indices used on October 1, 2007. Nursing facilities shall submit the required information to the commissioner by May 15, 2008, in the manner specified by the commissioner;

(2) the commissioner shall use the resident days reported in clause (1) and the nursing facility's October 1, 2007, unadjusted operating payment rate to determine operating revenue under the case mix indices used on September 30, 2007, and the case mix indices used on October 1, 2007;

(3) the operating revenue determined using the case mix indices used on September 30, 2007, minus the operating revenue determined using the case mix indices used on October 1, 2007, must equal the difference that is negative in operating revenue;

(4) the July 1, 2008, operating payment rate adjustment is the decrease in operating revenue determined in clause (3) divided by the total medical assistance and private pay days reported in clause (1) for the six-month period October 1, 2007, through March 31, 2008. The operating payment rate adjustment is applied to the case mix portion of the facility operating rate; and

(5) if the amount determined in clause (4) is greater than the amount determined under paragraph (b), clause (4), the commissioner shall retroactively pay to nursing facilities the difference between the two amounts for all paid medical assistance days between October 1, 2007, and June 30, 2008.

**EFFECTIVE DATE.** This section is effective October 1, 2007.

Sec. 8. Minnesota Statutes 2006, section 256B.441, subdivision 1, is amended to read:

Subdivision 1. **Rate determination rebasing.** ~~(a) The commissioner shall establish a value-based nursing facility reimbursement system which will provide facility specific, prospective rates for nursing facilities participating in the medical assistance program. The rates shall be determined using an annual statistical and cost report filed by each nursing facility. The total payment rate shall be composed of four rate components: direct care services, support services, external fixed, and property-related rate components. The payment rate shall be derived from statistical measures of actual costs incurred in facility operation of nursing facilities. From this cost basis, the components of the total payment rate shall be adjusted for quality of services provided, recognition of staffing levels, geographic variation in labor costs, and resident acuity rebase nursing facility rates for the rate year beginning October 1, 2008, and shall collect all data necessary to rebase rates. Nursing facilities shall submit this data in the form and manner specified by the commissioner. The rebasing methodology shall recognize increased expenses incurred by facilities that are not reflected in current payments and shall not be constrained by a state budget neutrality factor or method.~~

~~(b) Rates shall be rebased annually. Each cost reporting year shall begin on October 1 and end on the following September 30. Beginning in 2006, a statistical and cost report shall be filed by each nursing facility by January 15. Notice of rates shall be distributed by August 15 and the rates shall go into effect on October 1 for one year.~~

~~(c) The commissioner shall begin to phase in the new reimbursement system beginning October 1, 2007. Full phase in shall be completed by October 1, 2011.~~

**EFFECTIVE DATE.** This section is effective July 1, 2007.

Sec. 9. Minnesota Statutes 2006, section 256B.441, subdivision 46, is amended to read:

Subd. 46. **Calculation of quality add-on.** The payment rate for the quality add-on shall be a variable amount based on each facility's quality score.

(a) For the rate year beginning October 1, 2006, the maximum quality add-on percent shall be 2.4 percent and this add-on shall not be subject to a phase-in. The determination of the quality score to be used in calculating the quality add-on for October 1, 2006, shall be based on a report which must be filed with the commissioner, according to the requirements in subdivision 43, for a six-month period ending January 31, 2006. This report shall be filed with the commissioner by February 28, 2006. The commissioner shall prorate the six months of data to a full year. When new quality measures are incorporated into the quality score methodology and when existing quality measures are updated or improved, the commissioner may increase the maximum quality add-on percent.

(b) For each facility, determine the operating payment rate.

(c) For each facility determine a ratio of the quality score of the facility determined in subdivision 44, less 40 and then divided by 60. If this value is less than zero, use the value zero.

(d) For each facility, the quality add-on shall be the value determined in paragraph (b) times the value determined in paragraph (c) times the maximum quality add-on percent.

(e) For rate years beginning on or after October 1, 2007, the maximum quality add-on percent shall be four percent. The commissioner shall determine the quality add-on using the methodology described in paragraphs (b) to (d).

**EFFECTIVE DATE.** This section is effective October 1, 2007.

Sec. 10. Minnesota Statutes 2006, section 256B.5012, is amended by adding a subdivision to read:

Subd. 7. **ICF/MR rate increases October 1, 2007, and October 1, 2008.** (a) For the rate periods beginning October 1, 2007, and October 1, 2008, the commissioner shall make available to each facility reimbursed under this section an adjustment to the total operating payment rate of five percent.

(b) Seventy-five percent of the money resulting from the rate adjustment under paragraph (a) must be used to increase wages and benefits and pay associated costs for employees, except for administrative and central office employees. Seventy-five percent of the money received by a facility as a result of the rate adjustment provided in paragraph (a) must be used only for wage, benefit, and staff increases implemented on or after the effective date of the rate increase each year, and must not be used for increases implemented prior to that date. The wage adjustment eligible employees may receive may vary based on merit, seniority, or other factors determined by the provider.

(c) For each facility, the commissioner shall make available an adjustment, based on occupied beds, using the percentage specified in paragraph (a) multiplied by the total payment rate, including variable rate but excluding the property-related payment rate, in effect on the preceding day. The total payment rate must include the adjustment provided in section 256B.501, subdivision 12.

(d) A facility whose payment rates are governed by closure agreements, receivership agreements, or Minnesota Rules, part 9553.0075, is not eligible for an adjustment otherwise granted under this subdivision.

(e) A facility may apply for the portion of the payment rate adjustment provided under paragraph (a) for employee wages and benefits and associated costs. The application must be made to the commissioner and contain a plan by which the facility will distribute the funds according to paragraph (b). For facilities in which the employees are represented by an exclusive bargaining representative, an agreement negotiated and agreed to by the employer and the exclusive bargaining representative constitutes the plan. The commissioner shall not review, and shall not require changes, to the portion or portions of the plan covered by collective bargaining agreements. A negotiated agreement may constitute the plan only if the agreement is finalized after the date of enactment of all rate increases for the rate year. The commissioner shall review the plan to ensure that the payment rate adjustment per diem is used as provided in this subdivision. To be eligible, a facility must submit its plan by March 31, 2008, and December 31, 2008, respectively. If a facility's plan is effective for its employees after the first day of the applicable rate period that the funds are available, the payment rate adjustment per diem is effective the same date as its plan.

(f) A copy of the approved distribution plan must be made available to all employees by giving each employee a copy or by posting it in an area of the facility to which all employees have access. If an employee does not receive the wage and benefit adjustment described in the facility's approved plan and is unable to resolve the problem with the facility's management or through the employee's union representative, the employee may contact the commissioner at an address or telephone number provided by the commissioner and included in the approved plan.

Sec. 11. Minnesota Statutes 2006, section 256L.07, subdivision 2, is amended to read:

Subd. 2. ~~Must not have access to Employer-subsidized coverage.~~ (a) To be eligible, a family or individual must not have access to subsidized health coverage through an employer and must not have had access to employer-subsidized coverage through a current employer for 18 months prior to application or reapplication. A family or individual whose employer-subsidized coverage is lost due to an employer terminating health care coverage as an employee benefit during the previous 18 months is not eligible.

(b) This subdivision does not apply to a family or individual who was enrolled in MinnesotaCare within six months or less of reapplication and who no longer has employer-subsidized coverage due to the employer terminating health care coverage as an employee benefit.

(c) For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee or dependent, or a higher percentage as specified by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans and any other employer benefits intended to pay health care costs as qualified employer subsidies toward the cost of health coverage for employees for purposes of this subdivision.

(d) The commissioner, for the period July 1, 2007, through June 30, 2008, shall exempt a family or individual from this subdivision if access to employer-subsidized insurance is through employment at a nursing facility licensed under chapter 144A that participates in the medical assistance program. The commissioner shall evaluate the extent to which this exemption increases access to affordable health coverage, and shall present recommendations to the legislature by February 1, 2008, as to whether this exemption should be continued and whether the exemption should be extended to include families and individuals with access to employer-subsidized insurance through other long-term care providers.

Sec. 12. **COMMUNITY SERVICES PROVIDER RATE INCREASES.**

(a) The commissioner of human services shall increase reimbursement rates or rate limits, as applicable, by five percent for the rate period beginning October 1, 2007, and the rate period beginning October 1, 2008, effective for services rendered on or after those dates.

(b) The five percent annual rate increase described in this section must be provided to:

(1) home and community-based waived services for persons with developmental disabilities or related conditions under Minnesota Statutes, section 256B.501;

(2) home and community-based waived services for the elderly under Minnesota Statutes, section 256B.0915;

(3) waived services under community alternatives for disabled individuals under Minnesota Statutes, section 256B.49;

(4) community alternative care waived services under Minnesota Statutes, section 256B.49;

(5) traumatic brain injury waived services under Minnesota Statutes, section 256B.49;

(6) nursing services and home health services under Minnesota Statutes, section 256B.0625, subdivision 6a;

(7) personal care services and nursing supervision of personal care services under Minnesota Statutes, section 256B.0625, subdivision 19a;

(8) private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7;

(9) day training and habilitation services for adults with developmental disabilities or related conditions under Minnesota Statutes, sections 252.40 to 252.46;

(10) alternative care services under Minnesota Statutes, section 256B.0913;

(11) adult residential program grants under Minnesota Statutes, section 245.73;

(12) adult and children's mental health grants under Minnesota Rules, parts 9535.1700 to 9535.1760;

(13) the group residential housing supplementary service rate under Minnesota Statutes, section 256I.05, subdivision 1a;

(14) adult mental health integrated fund grants under Minnesota Statutes, section 245.4661;

(15) semi-independent living services (SILS) under Minnesota Statutes, section 252.275, including SILS funding under county social services grants formerly funded under Minnesota Statutes, chapter 256I;

(16) community support services for deaf and hard-of-hearing adults with mental illness who use or wish to use sign language as their primary means of communication under Minnesota Statutes, section 256.01, subdivision 2;

(17) living skills training programs for persons with intractable epilepsy who need assistance in the transition to independent living under Laws 1988, chapter 689;

(18) physical therapy services under Minnesota Statutes, sections 256B.0625, subdivision 8, and 256D.03, subdivision 4;

(19) occupational therapy services under Minnesota Statutes, sections 256B.0625, subdivision 8a, and 256D.03, subdivision 4;

(20) speech-language therapy services under Minnesota Statutes, section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0390;

(21) respiratory therapy services under Minnesota Statutes, section 256D.03, subdivision 4, and Minnesota Rules, part 9505.0295;

(22) aging grants under Minnesota Statutes, sections 256.975 to 256.977, 256B.0917, and 256B.0928;

(23) deaf and hard-of-hearing grants under Minnesota Statutes, sections 256C.233; 256C.25; Laws 1985, chapter 9, article 1; and Laws 1997, First Special Session chapter 5, section 20;

(24) children's therapeutic services and supports under Minnesota Statutes, section 256B.0943;

(25) tier I chemical health services under Minnesota Statutes, chapter 254B;

(26) consumer support grants under Minnesota Statutes, section 256.476;

(27) family support grants under Minnesota Statutes, section 252.32;

(28) continuation coverage for AIDS patients under Minnesota Statutes, section 256.9365; and

(29) prepayment demonstration project under Minnesota Statutes, section 256B.69.

(c) Providers that receive a rate increase under this section shall use 75 percent of the additional revenue to increase wages and benefits and pay associated costs for all employees, except for management fees, the administrator, and central office staff.

(d) For public employees, the increase for wages and benefits for certain staff is available and pay rates must be increased only to the extent that they comply with laws governing public employees' collective bargaining. Money received by a provider for pay increases under this section may be used only for increases implemented on or after the first day of the rate period in which the increase is available and must not be used for increases implemented prior to that date.

(e) A copy of the provider's plan for complying with paragraph (c) must be made available to all employees by giving each employee a copy or by posting a copy in an area of the provider's operation to which all employees have access. If an employee does not receive the adjustment, if any, described in the plan and is unable to resolve the problem with the provider, the employee may contact the employee's union representative. If the employee is not covered by a collective bargaining agreement, the employee may contact the commissioner at a telephone number provided by the commissioner and included in the provider's plan.

(f) The commissioner and each county agency shall take steps necessary to implement the increases required by this section on the dates specified, and the increases must be effective on the dates specified, regardless of the client's service authorization date and notwithstanding the terms of any provider contract, service agreement, or schedule that limits when a county may increase payment rates.

Sec. 13. **APPROPRIATION.**

\$..... in the fiscal year beginning July 1, 2007, and \$..... in the fiscal year beginning July 1, 2008, are appropriated from the general fund to the commissioner of human services to provide rate adjustments to low-payment rate nursing facilities under section 6.

ARTICLE 2

NURSING HOME MORATORIUM; PROPERTY REIMBURSEMENT

Section 1. Minnesota Statutes 2006, section 144A.073, subdivision 4, is amended to read:

Subd. 4. **Criteria for review.** The following criteria shall be used in a consistent manner to compare, evaluate, and rank all proposals submitted. Except for the criteria specified in clause (3), the application of criteria listed under this subdivision shall not reflect any distinction based on the geographic location of the proposed project:

(1) the extent to which the proposal furthers state long-term care goals, including the goal of enhancing the availability and use of alternative care services and the goal of reducing the number of long-term care resident rooms with more than two beds;

(2) the proposal's long-term effects on state costs including the cost estimate of the project according to section 144A.071, subdivision 5a;

(3) the extent to which the proposal promotes equitable access to long-term care services in nursing homes through redistribution of the nursing home bed supply, as measured by the number of beds relative to the population 85 or older, projected to the year 2000 by the state demographer, and according to items (i) to (iv):

(i) reduce beds in counties where the supply is high, relative to the statewide mean, and increase beds in counties where the supply is low, relative to the statewide mean;

(ii) adjust the bed supply so as to create the greatest benefits in improving the distribution of beds;

(iii) adjust the existing bed supply in counties so that the bed supply in a county moves toward the statewide mean; and

(iv) adjust the existing bed supply so that the distribution of beds as projected for the year 2020 would be consistent with projected need, based on the methodology outlined in the Interagency Long-Term Care Committee's nursing home bed distribution study;

(4) the extent to which the project improves conditions that affect the health or safety of residents, such as narrow corridors, narrow door frames, unenclosed fire exits, and wood frame construction, and similar provisions contained in fire and life safety codes and licensure and certification rules;

(5) the extent to which the project improves conditions that affect the comfort or quality of life of residents in a facility or the ability of the facility to provide efficient care, such as a relatively high number of residents in a room; inadequate lighting or ventilation; poor access to bathing or toilet facilities; a lack of available ancillary space for dining rooms, day rooms, or rooms used for other activities; problems relating to heating, cooling, or energy efficiency; inefficient location of nursing stations; narrow corridors; or other provisions contained in the licensure and certification rules;

(6) the extent to which the applicant demonstrates the delivery of quality care, as defined in state and federal statutes and rules, to residents as evidenced by the two most recent state agency certification surveys and the applicants' response to those surveys;

(7) the extent to which the project removes the need for waivers or variances previously granted by either the licensing agency, certifying agency, fire marshal, or local government entity;

(8) the extent to which the project increases the number of private or single bed rooms; ~~and~~

(9) the extent to which the applicant demonstrates the continuing need for nursing facility care in the community and adjoining communities; and

(10) other factors that may be developed in permanent rule by the commissioner of health that evaluate and assess how the proposed project will further promote or protect the health, safety, comfort, treatment, or well-being of the facility's residents.

**EFFECTIVE DATE.** This section is effective July 1, 2007.

Sec. 2. Minnesota Statutes 2006, section 256B.431, subdivision 17a, is amended to read:

Subd. 17a. **Allowable interest expense.** (a) Notwithstanding Minnesota Rules, part 9549.0060, subparts 5, item A, subitems (1) and (3), and 7, item D, allowable interest expense on debt shall include:

(1) interest expense on debt related to the cost of purchasing or replacing depreciable equipment, excluding vehicles, not to exceed ~~six~~ ten percent of the total historical cost of the project; and

(2) interest expense on debt related to financing or refinancing costs, including costs related to points, loan origination fees, financing charges, legal fees, and title searches; and issuance costs including bond discounts, bond counsel, underwriter's counsel, corporate counsel, printing, and financial forecasts. Allowable debt related to items in this clause shall not exceed seven percent of the total historical cost of the project. To the extent these costs are financed, the straight-line amortization of the costs in this clause is not an allowable cost; and

(3) interest on debt incurred for the establishment of a debt reserve fund, net of the interest earned on the debt reserve fund.

(b) Debt incurred for costs under paragraph (a) is not subject to Minnesota Rules, part 9549.0060, subpart 5, item A, subitem (5) or (6).

**EFFECTIVE DATE.** This section is effective October 1, 2007.

Sec. 3. Minnesota Statutes 2006, section 256B.431, subdivision 17e, is amended to read:

Subd. 17e. **Replacement-costs-new per bed limit effective ~~July 1, 2001~~ October 1, 2007.** Notwithstanding Minnesota Rules, part 9549.0060, subpart 11, item C, subitem (2), for a total replacement, as defined in paragraph (f), authorized under section 144A.071 or 144A.073 after July 1, 1999, or any building project that is ~~a relocation, renovation, upgrading, or conversion completed on or after July 1, 2001~~ eligible for reimbursement under section 256B.434, subdivision 4f, the replacement-costs-new per bed limit effective October 1, 2007, shall be ~~\$74,280~~ \$165,000 per licensed bed in multiple-bed rooms, ~~\$92,850~~ \$195,000 per licensed bed in semiprivate rooms with a fixed partition separating the resident beds, and ~~\$111,420~~ \$225,000 per licensed bed in single rooms. Minnesota Rules, part 9549.0060, subpart 11, item C, subitem (2), does not apply. These amounts must be adjusted annually as specified in subdivision 3f, paragraph (a), beginning ~~January 1, 2000~~ January 1, 2008.

**EFFECTIVE DATE.** This section is effective October 1, 2007.

Sec. 4. Minnesota Statutes 2006, section 256B.434, is amended by adding a subdivision to read:

Subd. 19. **Reimbursement for mandatory property loss.** (a) Notwithstanding the threshold in section 256B.431, subdivision 16, facilities that take action to come into compliance with existing or expected requirements of the federal certification standards, life safety code, or other building codes shall receive reimbursement for the property, equipment, and technology costs associated with compliance if all of the following circumstances are met:

(1) the costs associated with compliance were incurred on or after January 1, 2005;

(2) the costs were not otherwise reimbursed under subdivision 4f or section 144A.071 or 144A.073; and

(3) the total allowable cost reported under this subdivision during a reporting year exceeds \$50,000.

(b) Property rate increases for projects under this subdivision shall be calculated according to the formula in subdivision 4f, with the exception that any equipment costs under this subdivision shall be depreciated using the American Hospital Association useful life guidelines.

**EFFECTIVE DATE.** This section is effective October 1, 2007.

Sec. 5. **AUTHORIZATION FOR MORATORIUM EXCEPTION PROJECTS.**

During fiscal year 2008, the commissioner of health may approve moratorium exception projects under Minnesota Statutes, section 144A.073, for which the full annualized state share of medical assistance costs does not exceed \$10,000,000. During fiscal year 2009, the commissioner of health may approve moratorium exception projects under Minnesota Statutes, section 144A.073, for which the full annualized state share of medical assistance costs does not exceed \$10,000,000 less the amount approved during the first year.

**EFFECTIVE DATE.** This section is effective July 1, 2007."

Delete the title and insert:

"A bill for an act relating to human services; modifying long-term care initiatives; changing property reimbursements; providing long-term care provider rate increases; requiring the use of new nursing facility case mix indices; providing an exemption from the MinnesotaCare program prohibition on employer-subsidized coverage; requiring workforce initiatives; allowing the authorization of moratorium exception projects; appropriating money; amending Minnesota Statutes 2006, sections 144A.073, subdivision 4; 256B.431, subdivisions 2e, 17a, 17e, 32; 256B.434, by adding subdivisions; 256B.438, by adding a subdivision; 256B.441, subdivisions 1, 46; 256B.5012, by adding a subdivision; 256L.07, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 256."

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

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 796, A bill for an act relating to human services; establishing a family, friend, and neighbor grant program to promote children's early literacy, healthy development, and school readiness, and to foster community partnerships to promote children's school readiness; appropriating money.

Reported the same back with the following amendments:

Page 3, line 6, delete "2007" and insert "2008" and delete "2008" and insert "2009"

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

The report was adopted.

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

H. F. No. 908, A bill for an act relating to human services; expanding a quality assurance system to include additional service recipients; removing sunset dates; appropriating money; amending Minnesota Statutes 2006, sections 256B.095; 256B.0951, subdivision 1.

Reported the same back with the following amendments:

Page 2, after line 25, insert:

**"Sec. 3. [256B.096] STATE AND REGIONAL QUALITY ASSURANCE AND IMPROVEMENT SYSTEM FOR MINNESOTANS RECEIVING DISABILITY SERVICES.**

Subdivision 1. **Scope.** In order to improve the quality of services provided to Minnesotans with disabilities, a statewide quality assurance and improvement system for Minnesotans receiving disability services is established. The disability services included are the home and community-based services waiver programs for persons with developmental disabilities under section 256B.092, subdivision 4, traumatic brain injury, and for those who qualify for nursing facility or hospital levels of care under section 256B.49; home care services under section 256B.0651; family support grant under section 252.32; consumer support grant under section 256.476; and semi-independent living services under section 252.275. The statewide quality assurance and improvement system shall include a state quality commission, six regional quality councils, an outcome based quality review component, and a comprehensive system for effective incident reporting, investigation, analysis, and follow-up.

Subd. 2. **State Quality Commission.** (a) The commissioner shall appoint the members of the State Quality Commission, including representatives from the following groups: disability service recipients; at least one member from each regional quality council; disability service providers; disability advocacy groups; county human service agencies; and state agency staff from the Departments of Human Services, Health, and the Office of the Ombudsman for Mental Health and Developmental Disabilities.

(b) The State Quality Commission shall assist the Departments of Human Services and Health in fulfilling federally mandated obligations by monitoring disability service quality and quality assurance and improvement practices in Minnesota, establishing state quality improvement priorities with methods for achieving results, and providing an annual report to the legislative committees with jurisdiction over policy and funding of disability services on the outcomes, improvement priorities, and activities undertaken by the commission during the previous state fiscal year.

Subd. 3. **Regional quality councils.** (a) The commissioner shall establish six regional quality councils of key stakeholders including regional representatives of disability service recipients, disability service providers, disability advocacy groups, county government, and state agency regional staff from the Departments of Human Services, Health, and the Office of the Ombudsman for Mental Health and Developmental Disabilities who are appointed by the State Quality Commission.

(b) The regional councils shall:

- (1) direct and monitor outcome-based quality assurance programs;
  - (2) analyze and review quality outcomes and critical incident data;
  - (3) provide information and training programs for persons with disabilities, including service recipients and their caregivers, on service options and quality expectations;
  - (4) disseminate information and resources developed to other regional quality councils;
  - (5) respond to state level priorities;
  - (6) establish regional priorities for quality improvement;
  - (7) submit an annual report to the State Quality Commission on the status, outcomes, and improvement priorities and activities in the region;
  - (8) choose a representative to participate on the State Quality Commission; and
  - (9) assume other responsibilities consistent with the priorities of the State Quality Commission.
- (c) The regional councils shall maintain staff and manage resources needed, consistent with funding and direction from the commissioner in consultation with the State Quality Commission.

Subd. 4. **Annual survey of service recipients.** The commissioner, in consultation with the State Quality Commission, shall conduct an annual independent statewide survey of at least five to ten percent of service recipients, randomly selected, to determine the effectiveness and quality of disability services. The survey shall be consistent with the system performance expectations of the Centers for Medicare and Medicaid Services (CMS) Quality Framework and analyze whether desired outcomes for persons with different demographic, diagnostic, health, and functional needs, receiving different types of services, in different settings, with different costs, have been achieved. Annual statewide and regional reports of the results will be published for use by regions, counties, and providers to plan and measure the impact of quality improvement activities.

Subd. 5. **Outcome-based quality review.** The state commission shall designate an outcome-based quality review program to assure that quality assessment and licensing practices are founded on valid, reliable assessments in areas consistent with the CMS Quality Framework. The outcome-based quality review process shall:

- (1) be designed and implemented based on the work of the State Quality Commission and Regional Councils, information from the statewide service user survey, and the incident reporting data;
- (2) cover both licensed and unlicensed services;
- (3) include outcome-based interviews of a sufficient sample of individuals and caregivers served by an agency to provide reliable information which can be used to determine the level of service quality, issue program licenses as needed, recommend remedial activities, and determine the need for general and specific training, technical assistance, consumer education, and other service improvement activities; and
- (4) be available for use by regional councils for an alternative quality assurance program should counties in a region seek to develop an alternative to the state licensure system pursuant to the process established under sections 256B.095 to 256B.0955.

**Subd. 6. Incident reporting, investigation, analysis, and follow-up improvements.** (a) The commissioner shall improve the system of incident reporting, including reports made under the Maltreatment of Minors and Vulnerable Adults Acts, investigation, analysis, and follow-up for disability services to assure that incidents that may have jeopardized safety, health, civil and human rights, service-related assurances, and other protections to prevent abuse, neglect, and exploitation are reviewed, investigated, and acted upon in a timely manner.

(b) Information, data, and analysis from the reporting system shall be used at the provider, county, and regional levels to improve services for recipients and shall be provided in a standardized format on a regular basis to regional quality councils, the State Quality Commission, and appropriate state and county agencies.

**Subd. 7. Effective date.** (a) Subdivisions 1 to 4 and 6 are effective July 1, 2007, subject to the following phased implementation:

(1) the State Quality Commission and at least two regional quality councils, one in southeastern Minnesota and the other to be designated by the commissioner, shall begin July 1, 2008;

(2) two additional regional councils must be established by January 1, 2010;

(3) the remaining two regional councils must be established by July 1, 2011;

(4) the statewide survey of service recipients shall be developed beginning July 1, 2007, and field-tested during calendar year 2008 with implementation beginning on or before January 31, 2009; and

(5) beginning July 1, 2007, in consultation with a stakeholder workgroup, the commissioner shall develop, design, and make recommendations for improvements in the incident reporting, analysis, and data systems.

(b) Subdivision 5 is effective July 1, 2009. The outcome-based quality review process shall be designed and implemented based on the work of the State Quality Commission and regional councils, information from the statewide service user survey, and the incident reporting data, as funding allows after July 1, 2009."

Page 2, line 27, before "\$" insert "(a)"

Page 2, after line 28, insert:

"(b) \$..... is appropriated from the general fund to the commissioner of human services for fiscal year 2008 to develop and establish the quality assurance and improvement system according to the schedule set forth under Minnesota Statutes, section 256B.096, subdivision 7. Federal Medicaid match obtained for this purpose shall be dedicated to the commissioner for this purpose.

(c) \$..... in fiscal year 2008 and \$..... in fiscal year 2009 are appropriated from the general fund to the commissioner of human services for the implementation of the quality assurance and improvement system. Federal Medicaid match obtained for this purpose shall be dedicated to the commissioner for this purpose. This appropriation is added to the agency's base."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "establishing a statewide quality assurance and improvement system; establishing a State Quality Commission;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations, Reform, Technology and Elections.

The report was adopted.

Pelowski from the Committee on Governmental Operations, Reform, Technology and Elections to which was referred:

H. F. No. 965, A bill for an act relating to elections; permitting appointment of election judges not affiliated with a major political party; amending Minnesota Statutes 2006, section 204B.21, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 204B.21, subdivision 2, is amended to read:

Subd. 2. **Appointing authority; powers and duties.** Election judges for precincts in a municipality shall be appointed by the governing body of the municipality. Election judges for precincts in unorganized territory and for performing election-related duties assigned by the county auditor shall be appointed by the county board. Election judges for a precinct composed of two or more municipalities must be appointed by the governing body of the municipality or municipalities responsible for appointing election judges as provided in the agreement to combine for election purposes. Appointments ~~shall~~ may be made from lists furnished pursuant to subdivision 1 subject to the eligibility requirements and other qualifications established or authorized under section 204B.19. At least two election judges in each precinct must be affiliated with different major political parties. If no lists have been furnished or if additional election judges are required ~~after all listed names have been exhausted,~~ the appointing authority may appoint ~~any other individual to serve as an election judge subject to the same requirements and qualifications~~ individuals who meet the qualifications to serve as an election judge, including persons who are not affiliated with a major political party. The appointments shall be made at least 25 days before the election at which the election judges will serve.

Sec. 2. Minnesota Statutes 2006, section 204B.21, is amended by adding a subdivision to read:

Subd. 2a. **Town elections.** The provisions of this section and sections 204B.19, subdivision 5; 204C.15; 204C.19; 206.83; and 206.86, subdivision 2, relating to party balance in the appointment of judges and to duties to be performed by judges of different major political parties do not apply to town elections not held in conjunction with a statewide election.

Sec. 3. Minnesota Statutes 2006, section 205A.10, subdivision 2, is amended to read:

Subd. 2. **Election, conduct.** A school district election must be by secret ballot and must be held and the returns made in the manner provided for the state general election, as far as practicable. The vote totals from an absentee ballot board established pursuant to section 203B.13 may be tabulated and reported by the school district as a whole rather than by precinct. For school district elections not held in conjunction with a statewide election, the school

board shall appoint election judges as provided in section 204B.21, subdivision 2. The provisions of sections 204B.19, subdivision 5; 204B.21, subdivision 2; 204C.15; 204C.19; ~~206.64, subdivision 2~~; 206.83; and 206.86, subdivision 2, relating to party balance in appointment of judges and to duties to be performed by judges of different major political parties do not apply to school district elections not held in conjunction with a statewide election."

Delete the title and insert:

"A bill for an act relating to elections; changing election judge balance requirements; permitting appointment of election judges not affiliated with a major political party; exempting certain town elections from party balance requirements; amending Minnesota Statutes 2006, sections 204B.21, subdivision 2, by adding a subdivision; 205A.10, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 1008, A bill for an act relating to public safety; changing certain background check requirements; amending Minnesota Statutes 2006, section 260C.209, subdivision 3.

Reported the same back with the recommendation that the bill pass and be placed on the Consent Calendar.

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 1089, A bill for an act relating to child care; improving the quality of child care and expanding the professional development of child care practitioners; appropriating money; amending Minnesota Statutes 2006, section 119B.21, subdivision 5; proposing coding for new law in Minnesota Statutes, chapter 136A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 119B.21, subdivision 5, is amended to read:

Subd. 5. **Child care services grants.** (a) A child care resource and referral program designated under section 119B.19, subdivision 1a, may award child care services grants for:

(1) creating new licensed child care facilities and expanding existing facilities, including, but not limited to, supplies, equipment, facility renovation, and remodeling;

(2) improving licensed child care facility programs;

(3) staff training and development services including, but not limited to, in-service training, curriculum development, accreditation, certification, consulting, resource centers, ~~and~~ program and resource materials, supporting effective teacher-child interactions, child-focused teaching, and content-driven classroom instruction;

(4) interim financing;

(5) capacity building through the purchase of appropriate technology to create, enhance, and maintain business management systems;

(6) emergency assistance for child care programs;

(7) new programs or projects for the creation, expansion, or improvement of programs that serve ethnic immigrant and refugee communities; and

(8) targeted recruitment initiatives to expand and build the capacity of the child care system and to improve the quality of care provided by legal nonlicensed child care providers.

(b) A child care resource and referral program designated under section 119B.19, subdivision 1a, may award child care services grants to:

(1) licensed providers;

(2) providers in the process of being licensed;

(3) corporations or public agencies that develop or provide child care services;

(4) school-age care programs; or

(5) any combination of clauses (1) to (4).

Unlicensed providers are only eligible for grants under paragraph (a), clause (7).

(c) A recipient of a child care services grant for facility improvements, interim financing, or staff training and development must provide a 25 percent local match.

**Sec. 2. COMMISSIONER OF HUMAN SERVICES DUTIES; EARLY CHILDHOOD AND SCHOOL-AGE PROFESSIONAL DEVELOPMENT TRAINING.**

**Subdivision 1. Development and implementation of early childhood and school-age professional development system.** (a) The commissioner of human services, in cooperation with the commissioners of education and health, shall develop and phase in the implementation of a professional development system for practitioners serving children in early childhood and school-age programs. The system must, at a minimum, include the following features:

(1) a continuum of training content based on the early childhood and school-age care practitioner core competencies that translates knowledge into improved practice to support children's school success;

(2) training strategies that provide direct feedback about practice to practitioners through ongoing consultation, mentoring, or coaching with special emphasis on early literacy and early math;

(3) an approval process for trainers;

(4) a professional development registry for early childhood and school-age care practitioners that will provide tracking and recognition of practitioner training/career development progress;

(5) a career lattice that includes a range of professional development and educational opportunities that provide appropriate coursework and degree pathways;

(6) development of a plan with public higher education institutions for an articulated system of education, training, and professional development that includes credit for prior learning and development of equivalences to two- and four-year degrees;

(7) incentives and supports for early childhood and school-age care practitioners to seek additional training and education, including TEACH, other scholarships, and career guidance; and

(8) coordinated and accessible delivery of training to early childhood and school-age care practitioners.

(b) The commissioner of human services must evaluate the professional development system and make continuous improvements.

(c) Beginning July 1, 2007, as appropriations permit, the commissioner shall phase in the professional development system.

Subd. 2. **Two-hour early childhood training.** By January 15, 2008, the commissioner of human services, with input from the Minnesota Licensed Family Child Care Association and the Minnesota Professional Development Council, shall identify new training that meets the two-hour early childhood development training requirement for new child care practitioners under Minnesota Statutes, section 245A.14, subdivision 9a, paragraphs (a) and (b). For licensed family child care, the commissioner shall also seek the input of labor unions that serve licensed family child care providers, if the union has been recognized by a county to serve licensed family child care providers.

### Sec. 3. **APPROPRIATIONS.**

Subdivision 1. **Expanded quality rating system pilot program.** \$..... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2007, to be transferred to the Minnesota Early Learning Foundation under Minnesota Statutes, section 124D.175, to fund an expanded pilot program that offers geographic diversity to the current pilot program to test and evaluate the quality rating system.

Subd. 2. **Child care services grants.** \$..... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2007, for the purposes of providing child care services grants under Minnesota Statutes, section 119B.21, subdivision 5.

Subd. 3. **Early childhood professional development system.** \$..... is appropriated from the general fund to the commissioner of human services for the biennium beginning July 1, 2007, for the purposes of the early childhood professional development system, which increases the quality and continuum of professional development opportunities for child care practitioners."

Amend the title as follows:

Page 1, line 3, after the first semicolon, insert "establishing a pilot project; authorizing children's services grants;"

Correct the title numbers accordingly

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

The report was adopted.

Mariani from the Committee on E-12 Education to which was referred:

H. F. No. 1196, A bill for an act relating to education; providing special instruction for prekindergarten children with disabilities; proposing coding for new law in Minnesota Statutes, chapter 125A.

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

The report was adopted.

Pelowski from the Committee on Governmental Operations, Reform, Technology and Elections to which was referred:

H. F. No. 1223, A bill for an act relating to elections; requiring certain postsecondary institutions to submit student residential housing lists; adding certain forms of identification as eligible proof of residence; eliminating employee-list submission by residential facility operators; requiring challengers to prove residence in Minnesota; amending Minnesota Statutes 2006, sections 135A.17, subdivision 2; 201.061, subdivision 3; 204C.07, subdivision 3a; 204C.12, subdivision 2.

Reported the same back with the following amendments:

Pages 1 to 5, delete sections 1 and 2 and insert:

"Section 1. Minnesota Statutes 2006, section 135A.17, subdivision 2, is amended to read:

Subd. 2. **Residential housing list.** All public postsecondary institutions that enroll students accepting state or federal financial aid may in the state, and all private postsecondary institutions subject to chapter 136A or 141, must prepare a current list of students enrolled in the institution and residing in the institution's housing or within ten miles of the institution's campus. the county or city where one or more of the institution's campuses are located. Institutions that do not consider student addresses to be public information under applicable federal and state privacy laws must make release forms available to all students authorizing the institution to provide the addresses to the secretary of state. The list shall include each student's current address. must be based on the most recent residence address in this state that the student has provided to the institution. A student may submit a written request to the institution to withhold the student's name and address from the list no later than 45 days before the next state or city general election in the jurisdiction where the campus is located. The list shall be certified and sent to the appropriate county auditor or auditors secretary of state for use in election day registration as provided under section 201.061, subdivision 3. The electronic format must be mutually agreed to by Minnesota State Colleges and Universities, the University of Minnesota, the Private College Association, and the secretary of state. At least 14 days before the state or city general election, the secretary of state shall provide the appropriate county auditor with a single list for each precinct that includes the names of all students provided by the postsecondary institutions for that election. The format of the list provided to county auditors shall be determined by the secretary of state.

Sec. 2. Minnesota Statutes 2006, section 201.061, subdivision 3, is amended to read:

Subd. 3. **Election day registration.** (a) The definitions in this paragraph apply to this subdivision:

(1) "current utility bill" means a utility bill dated within 30 days before the election day or due within 30 days before or after the election;

(2) "photo identification" means identification that displays the name and photo of an individual and that was issued by:

(i) another state for use as a driver's license or identification card; or

(ii) a Minnesota college, university, or other postsecondary educational institution or high school as a student identification card;

(3) "residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless; and

(4) "utility bill" means a written or electronic bill for gas, electricity, telephone, wireless telephone, cable television, satellite television, solid waste, water, sewer services, or an itemized rent statement.

(b) An individual who is eligible to vote may register on election day by appearing in person at the polling place for the precinct in which the individual maintains residence, by completing a registration application, making an oath in the form prescribed by the secretary of state and providing proof of residence. An individual may prove residence for purposes of registering by:

(1) presenting a driver's license or Minnesota identification card issued pursuant to section 171.07;

(2) presenting:

(i) a photo identification; and

(ii) one of the following, showing the individual's name and valid residential address in the precinct: a current utility bill or lease;

~~(2)~~ (3) presenting any document approved by the secretary of state as proper identification;

~~(3)~~ (4) presenting one of the following:

(i) a current valid student identification card from a postsecondary educational institution in Minnesota, if a list of students from that institution has been prepared under section 135A.17 and certified to the county auditor in the manner provided in rules of the secretary of state; or

(ii) a current student fee statement that contains the student's valid address in the precinct together with a ~~picture~~ photo identification card; or

~~(4)~~ (5)(i) having a voter who is registered to vote in the precinct, or who is an employee employed by and working in a residential facility in the precinct and vouching for a resident in the facility, sign an oath in the presence of the election judge vouching that the voter or employee personally knows that the individual is a resident of the precinct. A voter who has been vouched for on election day may not sign a proof of residence oath vouching

for any other individual on that election day. A voter who is registered to vote in the precinct may sign up to 15 proof-of-residence oaths on any election day. This limitation does not apply to an employee of a residential facility described in this clause.

(ii) The secretary of state shall provide a form for election judges to use in recording the number of individuals for whom a voter signs proof-of-residence oaths on election day. The form must include space for the maximum number of individuals for whom a voter may sign proof-of-residence oaths. For each proof-of-residence oath, the form must include a statement that the voter is registered to vote in the precinct, personally knows that the individual is a resident of the precinct, and is making the statement on oath. The form must include a space for the voter's printed name, signature, telephone number, and address.

The oath required by this subdivision and Minnesota Rules, part 8200.9939, must be attached to the voter registration application and the information on the oath must be recorded on the records of both the voter registering on election day and the voter who is vouching for the person's residence, and entered into the statewide voter registration system by the county auditor when the voter registration application is entered into that system.

~~(b) The operator of a residential facility shall prepare a list of the names of its employees currently working in the residential facility and the address of the residential facility. The operator shall certify the list and provide it to the appropriate county auditor no less than 20 days before each election for use in election day registration.~~

~~(c) "Residential facility" means transitional housing as defined in section 256E.33, subdivision 1; a supervised living facility licensed by the commissioner of health under section 144.50, subdivision 6; a nursing home as defined in section 144A.01, subdivision 5; a residence registered with the commissioner of health as a housing with services establishment as defined in section 144D.01, subdivision 4; a veterans home operated by the board of directors of the Minnesota Veterans Homes under chapter 198; a residence licensed by the commissioner of human services to provide a residential program as defined in section 245A.02, subdivision 14; a residential facility for persons with a developmental disability licensed by the commissioner of human services under section 252.28; group residential housing as defined in section 256I.03, subdivision 3; a shelter for battered women as defined in section 611A.37, subdivision 4; or a supervised publicly or privately operated shelter or dwelling designed to provide temporary living accommodations for the homeless.~~

~~(c) An employee of a residential facility must prove employment with that facility by presenting a current identification card issued by the facility or other official documentation verifying the employee's current status with the facility on election day to be eligible to vouch for individuals residing in that facility.~~

(d) For tribal band members, an individual may prove residence for purposes of registering by:

(1) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, address, signature, and picture of the individual; or

(2) presenting an identification card issued by the tribal government of a tribe recognized by the Bureau of Indian Affairs, United States Department of the Interior, that contains the name, signature, and picture of the individual and also presenting one of the documents listed in Minnesota Rules, part 8200.5100, subpart 2, item B.

(e) A county, school district, or municipality may require that an election judge responsible for election day registration initial each completed registration application."

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

The report was adopted.

Mullery from the Committee on Public Safety and Civil Justice to which was referred:

H. F. No. 1251, A bill for an act relating to civil actions; authorizing direct actions and imposing direct liability on certain insurers in certain actions; regulating actions involving certain insurance practices; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 72A; 540; 604.

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

The report was adopted.

Otremba from the Committee on Agriculture, Rural Economies and Veterans Affairs to which was referred:

S. F. No. 138, A bill for an act relating to agriculture; requiring plant hazards evaluation and a report to the legislature.

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

The report was adopted.

## **SECOND READING OF HOUSE BILLS**

H. F. Nos. 163, 455, 539, 660, 965 and 1008 were read for the second time.

## **INTRODUCTION AND FIRST READING OF HOUSE BILLS**

The following House Files were introduced:

Wardlow, Masin, Hansen and Atkins introduced:

H. F. No. 1739, A bill for an act relating to highways; appropriating money for upgrades and improvements to highway 149; authorizing sale of trunk highway bonds.

The bill was read for the first time and referred to the Committee on Finance.

Peppin introduced:

H. F. No. 1740, A bill for an act relating to energy; repealing ban on issuing certificate of need for construction of new nuclear-powered electric generating plant; repealing Minnesota Statutes 2006, section 216B.243, subdivision 3b.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

Atkins introduced:

H. F. No. 1741, A bill for an act relating to civil actions; regulating the tort liability of school districts; amending Minnesota Statutes 2006, section 466.12.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Thao; Mahoney; Johnson; Murphy, E.; Paymar; Lesch; Hausman and Mariani introduced:

H. F. No. 1742, A bill for an act relating to capital improvements; appropriating money for an Asian Pacific Cultural Center; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Juhnke; Gunther; Peterson, A.; Magnus and Simpson introduced:

H. F. No. 1743, A bill for an act relating to agriculture; changing noxious weed eradication requirements; amending Minnesota Statutes 2006, sections 18.80, subdivision 1; 18.81, subdivisions 1, 3; 18.83, subdivisions 1, 3, 7; 18.84, subdivision 3; repealing Minnesota Statutes 2006, sections 18.79, subdivisions 7, 8; 18.84, subdivision 2.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Davnie and Clark introduced:

H. F. No. 1744, A bill for an act relating to housing, providing additional funding for the homeownership education, counseling, and training program, appropriating money.

The bill was read for the first time and referred to the Committee on Finance.

Bunn; Gardner; Slawik; Dean; Anderson, S.; Simon; Benson; Madore; Berns and Scalze introduced:

H. F. No. 1745, A bill for an act relating to taxation; property; indexing the homestead market value credit maximum valuation limit; amending Minnesota Statutes 2006, section 273.1384, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Gottwalt, Haws, Hosch, Dean and Eastlund introduced:

H. F. No. 1746, A bill for an act relating to local government aid; increasing the city aid base for certain cities; amending Minnesota Statutes 2006, section 477A.011, subdivision 36.

The bill was read for the first time and referred to the Committee on Taxes.

Davnie, Paulsen, Mahoney, Atkins, Carlson and Zellers introduced:

H. F. No. 1747, A bill for an act relating to taxation; providing for an income tax credit for investments in qualified business ventures in Minnesota; amending Minnesota Statutes 2006, section 290.06, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Atkins and Zellers introduced:

H. F. No. 1748, A bill for an act relating to residential mortgage lending; modifying licensing and education requirements; providing examination powers to the commissioner; prescribing a criminal penalty; amending Minnesota Statutes 2006, sections 58.04, subdivisions 1, 2; 58.05; 58.06, subdivision 2, by adding a subdivision; 58.08, subdivision 3; 58.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 58; 609; repealing Minnesota Statutes 2006, section 58.08, subdivision 1.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

McNamara; Dill; Peterson, A., and Cornish introduced:

H. F. No. 1749, A bill for an act relating to game and fish; requiring rulemaking to modify bag limit for cock pheasant.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Hansen introduced:

H. F. No. 1750, A bill for an act relating to natural resources; modifying the Critical Areas Act of 1973; appropriating money; amending Minnesota Statutes 2006, sections 116G.03, by adding subdivisions; 116G.15.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Atkins and McNamara introduced:

H. F. No. 1751, A bill for an act relating to taxation; providing alternative valuation for certain property; classifying certain property; amending Minnesota Statutes 2006, section 273.13, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 273.

The bill was read for the first time and referred to the Committee on Taxes.

Erickson introduced:

H. F. No. 1752, A bill for an act relating to taxation; sales tax; providing a sales tax exemption for materials and supplies used in the construction of a public works building in Sherburne County; amending Minnesota Statutes 2006, section 297A.71, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Knuth, Anzelc, Bigham and Peterson, A., introduced:

H. F. No. 1753, A bill for an act relating to financial institutions; requiring counseling and disclosures with respect to high-cost home loans; proposing coding for new law in Minnesota Statutes, chapter 58.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Peppin introduced:

H. F. No. 1754, A bill for an act relating to taxation; individual income; extending the K-12 education credit to tuition and modifying the income phaseout for the credit; amending Minnesota Statutes 2006, section 290.0674, subdivisions 1, 2.

The bill was read for the first time and referred to the Committee on Taxes.

Poppe and Rukavina introduced:

H. F. No. 1755, A bill for an act relating to higher education; authorizing collaborative Minnesota State Colleges and Universities community-based energy development pilot projects; appropriating money.

The bill was read for the first time and referred to the Committee on Finance.

Hortman introduced:

H. F. No. 1756, A bill for an act relating to public safety; regulating salvage certificates of title and certain vehicles being dismantled or destroyed; requiring electronic notification; amending Minnesota Statutes 2006, sections 168A.151, subdivision 1; 168A.153.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Juhnke introduced:

H. F. No. 1757, A bill for an act relating to capital improvements; appropriating money for a historic military airplane enclosure and visitor center in the city of Spicer; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Davnie, Atkins, Sertich, Simon, Zellers and Anzelc introduced:

H. F. No. 1758, A bill for an act relating to commerce; regulating access devices; establishing liability for security breaches; providing enforcement powers; proposing coding for new law in Minnesota Statutes, chapter 325E.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Olin introduced:

H. F. No. 1759, A bill for an act relating to agriculture; appropriating money for a grant for agronomic research on native plants.

The bill was read for the first time and referred to the Committee on Finance.

Greiling introduced:

H. F. No. 1760, A bill for an act relating to transportation; establishing a county state-aid highways grant program for metropolitan cities; amending Minnesota Statutes 2006, section 162.08, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Finance.

Lesch introduced:

H. F. No. 1761, A bill for an act relating to public safety; appropriating money for emergency preparedness coordinator.

The bill was read for the first time and referred to the Committee on Finance.

Simon, Erhardt and Holberg introduced:

H. F. No. 1762, A bill for an act relating to statutory cities; providing mechanisms for discharge of city charter commission; amending Minnesota Statutes 2006, section 410.05, subdivision 5.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Juhnke and Rukavina introduced:

H. F. No. 1763, A bill for an act relating to farm wineries; allowing farm wineries to operate restaurants on site; amending Minnesota Statutes 2006, section 340A.315, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Ruth introduced:

H. F. No. 1764, A bill for an act relating to capital improvements; appropriating money to purchase the Owatonna College and University Center; authorizing sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Brod introduced:

H. F. No. 1765, A bill for an act relating to alcohol; allowing silent auctions to sell alcohol for charitable purposes; proposing coding for new law in Minnesota Statutes, chapter 340A.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Nornes introduced:

H. F. No. 1766, A bill for an act relating to sales and use tax; exempting construction materials for the Pelican Rapids wastewater treatment facility; amending Minnesota Statutes 2006, section 297A.71, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Hausman, Lesch, Hornstein, Hortman and Mullery introduced:

H. F. No. 1767, A bill for an act relating to transportation; requiring the commissioner of transportation to utilize available federal funds in highway construction training programs; requiring reports on training programs and disadvantaged business enterprise program; amending Minnesota Statutes 2006, section 174.03, by adding subdivisions.

The bill was read for the first time and referred to the Committee on Finance.

Westrom and Otremba introduced:

H. F. No. 1768, A bill for an act relating to capital improvements; appropriating money for higher education asset preservation and replacement at Alexandria Technical College; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Marquart introduced:

H. F. No. 1769, A bill for an act relating to taxation; property; allowing joint public truth in taxation advertisements and hearings; amending Minnesota Statutes 2006, section 275.065, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Sailer, Clark and Hilty introduced:

H. F. No. 1770, A bill for an act relating to utilities; modifying conditions for disconnecting and reconnecting utility service; amending Minnesota Statutes 2006, section 216B.097, subdivisions 1, 3.

The bill was read for the first time and referred to the Energy Finance and Policy Division.

Haws, Severson, Dominguez, Tingelstad, Bigham, Dettmer, Wollschlager and Doty introduced:

H. F. No. 1771, A bill for an act relating to veterans affairs; appropriating money.

The bill was read for the first time and referred to the Committee on Finance.

Morrow, Lieder and Hornstein introduced:

H. F. No. 1772, A bill for an act relating to transportation; authorizing use of federal transit funds for capital assistance for public transit systems.

The bill was read for the first time and referred to the Committee on Finance.

Nelson and Beard introduced:

H. F. No. 1773, A bill for an act relating to higher education; establishing grants for construction management education; adding a surcharge to permit fees; establishing an account; requiring a report; appropriating money; amending Minnesota Statutes 2006, section 16B.70, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 16B.

The bill was read for the first time and referred to the Committee on Finance.

Kalin introduced:

H. F. No. 1774, A bill for an act relating to taxation; increasing the local government aid payable to a certain city; amending Minnesota Statutes 2006, section 477A.011, subdivision 36.

The bill was read for the first time and referred to the Committee on Taxes.

Sviggum introduced:

H. F. No. 1775, A bill for an act relating to economic development; providing a grant for utility upgrades and extension for bioscience research park and integrated medicine facility; appropriating money.

The bill was read for the first time and referred to the Committee on Finance.

Simon, Greiling, Hilstrom, Slocum, Madore, Wollschlager, Lesch, Morgan and Bigham introduced:

H. F. No. 1776, A bill for an act relating to elections; establishing a nonbinding presidential primary; proposing coding for new law in Minnesota Statutes, chapter 207A.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Liebling, Carlson, Demmer, Simpson and Rukavina introduced:

H. F. No. 1777, A bill for an act relating to local government aids; restoring county program aids; providing county program aid inflation adjustment; amending Minnesota Statutes 2006, section 477A.03, subdivision 2b, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Taxes.

Mullery, Thissen, Hilstrom and Smith introduced:

H. F. No. 1778, A bill for an act relating to public defenders; appropriating money for increase in public defenders' salaries.

The bill was read for the first time and referred to the Committee on Finance.

Sailer introduced:

H. F. No. 1779, A bill for an act relating to retirement; Minnesota State Retirement System and Public Employees Retirement Association; providing annuity back payments to a certain annuitant who was not timely accorded a combined service annuity.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Marquart and Lanning introduced:

H. F. No. 1780, A bill for an act relating to higher education; providing for disclosure of certain information; amending Minnesota Statutes 2006, section 13.32, subdivision 3.

The bill was read for the first time and referred to the Higher Education and Work Force Development Policy and Finance Division.

Davnie, Hornstein, Erhardt, Hausman, Atkins and Paulsen introduced:

H. F. No. 1781, A bill for an act relating to motor carriers; regulating insurance requirements for certain carriers; amending Minnesota Statutes 2006, section 221.141, subdivision 1e.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Haws, Doty, Dominguez, Severson, Tingelstad, Hausman, Hosch, Otremba, Gottwalt, Hortman and Abeler introduced:

H. F. No. 1782, A bill for an act relating to transportation; appropriating money for technical analysis of extension of commuter rail service to Rice.

The bill was read for the first time and referred to the Committee on Finance.

Faust introduced:

H. F. No. 1783, A bill for an act relating to retirement; Teachers Retirement Association; authorizing a sabbatical leave related salary credit purchase by certain Minneapolis school teachers.

The bill was read for the first time and referred to the Committee on Governmental Operations, Reform, Technology and Elections.

Faust introduced:

H. F. No. 1784, A bill for an act relating to taxation; sales and use; exempting construction materials and equipment used to construct the Pine County Judicial Center; amending Minnesota Statutes 2006, sections 297A.71, by adding a subdivision; 297A.75, subdivisions 1, 2, 3.

The bill was read for the first time and referred to the Committee on Taxes.

Koenen; Gunther; Morrow; Beard; Peterson, A.; Juhnke; Simon; Seifert; Magnus; Urdahl; Finstad; Brod; Hamilton and Kohls introduced:

H. F. No. 1785, A bill for an act relating to capital improvements; appropriating money for a grant to the Minnesota Valley Regional Rail Authority to rehabilitate railroad track; authorizing issuance of general obligation bonds.

The bill was read for the first time and referred to the Committee on Finance.

Hansen introduced:

H. F. No. 1786, A bill for an act relating to natural resources; appropriating money for a carbon sequestration demonstration project; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Finance.

Welti introduced:

H. F. No. 1787, A bill for an act relating to agriculture; changing certain agricultural chemical incident provisions; eliminating a fee; amending Minnesota Statutes 2006, section 18E.02, subdivision 5, by adding a subdivision; repealing Minnesota Statutes 2006, section 18C.425, subdivision 5.

The bill was read for the first time and referred to the Committee on Agriculture, Rural Economies and Veterans Affairs.

Ward introduced:

H. F. No. 1788, A bill for an act relating to natural resources; appropriating money for silvicultural research.

The bill was read for the first time and referred to the Committee on Finance.

Peppin and Zellers introduced:

H. F. No. 1789, A bill for an act relating to tax increment financing; allowing city of Dayton to establish a district subject to special rules.

The bill was read for the first time and referred to the Committee on Taxes.

Knuth, Pelowski, Atkins, Sviggum, Kahn and Carlson introduced:

H. F. No. 1790, A bill for an act relating to commerce; providing a payment mechanism for technology used by the Department of Commerce in connection with licensing requirements for mortgage originators and servicers, insurance agents, real estate agents, real estate closing agents, real estate appraisers, debt collection agencies, and real estate abstractors; appropriating money; amending Minnesota Statutes 2006, sections 58.10, subdivision 1; 60K.55, subdivision 2; 82.24, subdivisions 1, 4; 82B.09, subdivision 1; 332.33, subdivisions 3, 6; 386.68; proposing coding for new law in Minnesota Statutes, chapter 45.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Heidgerken introduced:

H. F. No. 1791, A bill for an act relating to sales and use tax; modifying the exemption for capital equipment; amending Minnesota Statutes 2006, sections 297A.68, subdivision 5; 297A.75, subdivisions 2, 3.

The bill was read for the first time and referred to the Committee on Taxes.

Garofalo, Emmer, Peppin and Kohls introduced:

H. F. No. 1792, A bill for an act relating to education; providing successful schools aid for schools succeeding in reading and mathematics or prekindergarten through grade 2 schools; appropriating money.

The bill was read for the first time and referred to the Committee on Finance.

Hilstrom, Demmer, Greiling, Heidgerken and Mariani introduced:

H. F. No. 1793, A bill for an act relating to education; establishing a task force to compare federal and state special education requirements; appropriating money.

The bill was read for the first time and referred to the Committee on E-12 Education.

Slawik; Laine; Kranz; Fritz; Peterson, S., and Murphy, E., introduced:

H. F. No. 1794, A bill for an act relating to education; providing for children's early literacy; appropriating money; amending Minnesota Statutes 2006, section 119A.50, by adding a subdivision.

The bill was read for the first time and referred to the Committee on E-12 Education.

Greiling, Lillie and Scalze introduced:

H. F. No. 1795, A bill for an act relating to education finance; authorizing a fund transfer for Independent School District No. 623, Roseville.

The bill was read for the first time and referred to the Committee on Finance.

Marquart introduced:

H. F. No. 1796, A bill for an act relating to education finance; providing a fund transfer for Independent School District No. 852, Campbell-Tintah.

The bill was read for the first time and referred to the Committee on Finance.

Hornstein introduced:

H. F. No. 1797, A bill for an act relating to education; directing the Office of Educational Accountability to evaluate the educational impact of the federal No Child Left Behind Act and other state and federal laws requiring school districts to administer tests to students; appropriating money.

The bill was read for the first time and referred to the Committee on E-12 Education.

Morrow, Swails and Greiling introduced:

H. F. No. 1798, A bill for an act relating to education finance; authorizing an additional lease levy for certain kindergarten space needs; amending Minnesota Statutes 2006, section 126C.40, subdivision 1.

The bill was read for the first time and referred to the Committee on Finance.

Bly, Mariani, Ward, Slocum, Greiling, Dominguez, Poppe, Brown, Fritz and Moe introduced:

H. F. No. 1799, A bill for an act relating to education; directing commissioner of education to develop an assessment tool to fairly evaluate performance of alternative schools.

The bill was read for the first time and referred to the Committee on E-12 Education.

Dettmer, Doty, Peppin, Gottwalt, Greiling, Tingelstad, Shimanski, Berns, Simpson, Erickson, Demmer and Wardlow introduced:

H. F. No. 1800, A bill for an act relating to education; clarifying staff development goals and expenditures; amending Minnesota Statutes 2006, sections 122A.60, subdivision 3; 122A.61, subdivision 1.

The bill was read for the first time and referred to the Committee on E-12 Education.

Urdahl, Hosch and Haws introduced:

H. F. No. 1801, A bill for an act relating to education finance; authorizing Independent School District No. 463, Eden Valley-Watkins, to levy for the costs of remediating certain environmental hazards.

The bill was read for the first time and referred to the Committee on Finance.

Kranz, Hausman, Ward, Tillberry, Hosch, Dominguez, Anzelc, Gardner, Olin and Dittrich introduced:

H. F. No. 1802, A bill for an act relating to education; providing funding for a school district with average general revenue below the state average; amending Minnesota Statutes 2006, section 126C.10, by adding a subdivision.

The bill was read for the first time and referred to the Committee on E-12 Education.

Erhardt and Gunther introduced:

H. F. No. 1803, A bill for an act relating to state government; increasing legislative salaries.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Faust introduced:

H. F. No. 1804, A bill for an act relating to human services; allowing rate increase for nursing facility in Kanabec County; amending Minnesota Statutes 2006, section 144A.071, subdivision 4c.

The bill was read for the first time and referred to the Committee on Finance.

Demmer, Solberg, Erickson, Greiling, Sviggum, Dill, Severson, Olin, Sailer, Eken and Nornes introduced:

H. F. No. 1805, A bill for an act relating to human services; providing base grant funding for additional living-at-home/block nurse programs; appropriating money; amending Minnesota Statutes 2006, section 256B.0917, subdivision 8.

The bill was read for the first time and referred to the Committee on Finance.

Dean; Ruud; Murphy, E.; Hamilton and Gottwalt introduced:

H. F. No. 1806, A bill for an act relating to health; expanding the health professional education loan forgiveness program for child mental health professionals; appropriating money; amending Minnesota Statutes 2006, section 144.1501, subdivision 2.

The bill was read for the first time and referred to the Committee on Finance.

Huntley introduced:

H. F. No. 1807, A bill for an act relating to human services; requiring inpatient hospital services to be paid on a fee-for-services basis for the general assistance medical care program; amending Minnesota Statutes 2006, section 256D.03, subdivision 4.

The bill was read for the first time and referred to the Committee on Finance.

Atkins introduced:

H. F. No. 1808, A bill for an act relating to taxation; providing that tax increment financing plan modification procedures do not apply to certain acquisitions of property; amending Minnesota Statutes 2006, section 469.175, subdivision 4.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Dominguez, Fritz, Abeler, Huntley and Thissen introduced:

H. F. No. 1809, A bill for an act relating to health; allowing applications for and renewals of essential community provider status; providing grants and other funding to safety net health care providers; modifying reimbursement rates; requiring grants for MinnesotaCare outreach and unreimbursed health care costs; requiring a study of the MinnesotaCare application and enrollment process; appropriating money; amending Minnesota Statutes 2006, sections 62Q.19, subdivisions 2, 6; 62Q.23; 144.3345, subdivision 2; 256B.0625, subdivision 30, by adding a subdivision; 256L.04, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Poppe and Gunther introduced:

H. F. No. 1810, A bill for an act relating to human services; proposing a family day care demonstration project; requiring reports; authorizing rulemaking authority.

The bill was read for the first time and referred to the Committee on Health and Human Services.

Huntley introduced:

H. F. No. 1811, A bill for an act relating to human services; directing counties to use any profits from the county-based purchasing program to provide services to individuals receiving medical assistance or general assistance medical care; amending Minnesota Statutes 2006, section 256B.692, subdivision 3.

The bill was read for the first time and referred to the Committee on Finance.

Carlson and Peterson, S., introduced:

H. F. No. 1812, A bill for an act relating to health; providing for an exception to the bed moratorium; amending Minnesota Statutes 2006, section 144A.071, subdivision 4c.

The bill was read for the first time and referred to the Committee on Finance.

Ozment and Urdahl introduced:

H. F. No. 1813, A bill for an act relating to planning and zoning; requiring counties to consider natural heritage data in adopting or amending comprehensive plans; requiring comprehensive plans in greater Minnesota to limit development on agricultural, forest, wildlife, and open space land; requiring priority provisions in certain county and city comprehensive plans; requiring certain development to occur in designated priorities; providing a bill title; amending Minnesota Statutes 2006, sections 394.23; 394.232, subdivision 6; 394.24, by adding a subdivision; 394.25, subdivision 2; 462.355, subdivision 1; 462.357, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 394.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Emmer introduced:

H. F. No. 1814, A bill for an act relating to taxation; authorizing the city of Rockford to impose a sales and use tax for certain purposes.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Smith, Lesch, Kranz, Atkins and Kalin introduced:

H. F. No. 1815, A bill for an act relating to uniform acts; providing for the Uniform Real Property Electronic Recording Act; amending Minnesota Statutes 2006, section 325L.03; proposing coding for new law as Minnesota Statutes, chapter 508B.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

Erhardt introduced:

H. F. No. 1816, A bill for an act relating to levy limits; limiting the amount that political subdivisions may levy for roads, streets, and bridges; amending Minnesota Statutes 2006, section 275.62, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 275.

The bill was read for the first time and referred to the Committee on Taxes.

Wollschlager and Anzelc introduced:

H. F. No. 1817, A bill for an act relating to taxes; individual income; modifying and increasing the military service credit; amending Minnesota Statutes 2006, section 290.0677, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

Solberg, Dill, Hackbarth, Sailer, Moe, Howes, Anzelc, Doty and Ward introduced:

H. F. No. 1818, A bill for an act relating to natural resources; modifying restrictions on vehicles hauling unfinished forest products; modifying renewable energy objectives; modifying apportionment of net income; defining wood products industry; modifying certain tax exemptions; appropriating money; amending Minnesota Statutes 2006, sections 169.8261; 216B.1691, by adding a subdivision; 290.191, subdivision 2; 297A.68, subdivision 5; 297A.69, subdivision 3.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

Murphy, M., introduced:

H. F. No. 1819, A bill for an act relating to the city of Proctor; authorizing sales taxes; amending Laws 1999, chapter 243, article 4, section 18, subdivisions 1, 3, 4.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Lieder introduced:

H. F. No. 1820, A bill for an act relating to taxes; authorizing the city of Crookston to impose a local sales and use tax.

The bill was read for the first time and referred to the Committee on Local Government and Metropolitan Affairs.

Hortman introduced:

H. F. No. 1821, A bill for an act relating to motor vehicles; modifying vehicle title and transfer provisions; modifying definition of "motorized foot scooter"; amending Minnesota Statutes 2006, sections 168A.05, subdivisions 3, 5; 168A.10, subdivision 1; 168A.101; 169.01, subdivision 4c; 325F.665, by adding a subdivision; repealing Minnesota Statutes 2006, sections 168A.05, subdivision 5a; 325E.0951, subdivision 3a.

The bill was read for the first time and referred to the Transportation Finance Division.

Jaros, Hornstein and Greiling introduced:

H. F. No. 1822, A bill for an act relating to transportation; requiring that mobile telephones used in motor vehicles be hands-free; providing a defense; proposing coding for new law in Minnesota Statutes, chapter 169.

The bill was read for the first time and referred to the Transportation Finance Division.

Paymar, Eastlund, Huntley, Rukavina, Solberg, Walker, Carlson and Dominguez introduced:

H. F. No. 1823, A bill for an act relating to corrections; establishing a five-year demonstration project designed to apply best practices to improve and promote the recovery and success of high-risk adults who frequently use costly public services such as emergency rooms, treatment programs, jails, prisons, and detoxification facilities; combining an innovative management and governance structure; assembling core services currently provided separately, including housing, behavioral health, health care, employment, and community and family reengagement; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 241.

The bill was read for the first time and referred to the Committee on Public Safety and Civil Justice.

Faust and Simpson introduced:

H. F. No. 1824, A bill for an act relating to amusement rides; modifying provisions regulating amusement rides; defining terms; amending Minnesota Statutes 2006, sections 184B.01, subdivision 4, by adding subdivisions; 184B.02; 184B.03; 184B.05; 184B.07; proposing coding for new law in Minnesota Statutes, chapter 184B; repealing Minnesota Statutes 2006, section 184B.06.

The bill was read for the first time and referred to the Committee on Commerce and Labor.

## MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned:

H. F. No. 160, A bill for an act relating to finance; authorizing transfer of appropriations within the Help America Vote Act account; amending Laws 2005, chapter 162, section 34, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I have the honor to inform the House of Representatives that the Senate is ready to meet with the House in Joint Convention at 6:00 p.m., Thursday, March 8, 2007, for the purpose of electing members to the Board of Regents of the University of Minnesota.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 60.

PATRICK E. FLAHAVERN, Secretary of the Senate

### **FIRST READING OF SENATE BILLS**

S. F. No. 60, A bill for an act relating to local government; authorizing the city of Duluth to establish accounts to pay for postemployment benefits owed to retired employees and to generate revenue dedicated to meet certain city obligations; appropriating money; proposing coding for new law in Minnesota Statutes, chapters 11A and 353.

The bill was read for the first time.

Sertich moved that S. F. No. 60 and H. F. No. 163, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

### **CONSENT CALENDAR**

Sertich moved that the Consent Calendar be continued. The motion prevailed.

### **MOTIONS AND RESOLUTIONS**

Simon moved that the name of Brynaert be added as an author on H. F. No. 138. The motion prevailed.

Greiling moved that the name of Hansen be added as an author on H. F. No. 196. The motion prevailed.

Benson moved that the name of Brynaert be added as an author on H. F. No. 234. The motion prevailed.

Haws moved that the name of Gottwalt be added as an author on H. F. No. 339. The motion prevailed.

Ruud moved that the name of Bigham be added as an author on H. F. No. 375. The motion prevailed.

Hilty moved that the name of Clark be added as an author on H. F. No. 404. The motion prevailed.

Koenen moved that the name of Welti be added as an author on H. F. No. 484. The motion prevailed.

Hilstrom moved that the name of Welti be added as an author on H. F. No. 489. The motion prevailed.

Hilstrom moved that the name of Welti be added as an author on H. F. No. 490. The motion prevailed.

Cornish moved that the names of Zellers and Doty be added as authors on H. F. No. 498. The motion prevailed.

Hilstrom moved that the name of Laine be added as an author on H. F. No. 541. The motion prevailed.

Slocum moved that her name be stricken as an author on H. F. No. 549. The motion prevailed.

Morgan moved that the name of Slocum be added as an author on H. F. No. 557. The motion prevailed.

Lieder moved that the name of Welti be added as an author on H. F. No. 562. The motion prevailed.

Loeffler moved that the name of Welti be added as an author on H. F. No. 574. The motion prevailed.

Brod moved that the name of Zellers be added as an author on H. F. No. 599. The motion prevailed.

Winkler moved that the name of Welti be added as an author on H. F. No. 618. The motion prevailed.

Severson moved that the name of Haws be added as an author on H. F. No. 641. The motion prevailed.

Severson moved that the name of Haws be added as an author on H. F. No. 642. The motion prevailed.

Paymar moved that the name of Welti be added as an author on H. F. No. 684. The motion prevailed.

Thao moved that the name of Welti be added as an author on H. F. No. 707. The motion prevailed.

Hackbarth moved that the names of Shimanski and Doty be added as authors on H. F. No. 775. The motion prevailed.

Bunn moved that the name of Welti be added as an author on H. F. No. 788. The motion prevailed.

Rukavina moved that the name of Welti be added as an author on H. F. No. 797. The motion prevailed.

Demmer moved that the name of Welti be added as an author on H. F. No. 800. The motion prevailed.

Mariani moved that the names of Swails and Slawik be added as authors on H. F. No. 826. The motion prevailed.

Benson moved that the name of Urdahl be added as an author on H. F. No. 841. The motion prevailed.

Hortman moved that the name of Greiling be added as an author on H. F. No. 863. The motion prevailed.

Hosch moved that the names of Doty and Severson be added as authors on H. F. No. 971. The motion prevailed.

Koenen moved that the names of Slocum and Walker be added as authors on H. F. No. 975. The motion prevailed.

Poppe moved that her name be stricken as an author on H. F. No. 1032. The motion prevailed.

Davnie moved that the names of Bunn, Abeler and Dittrich be added as authors on H. F. No. 1084. The motion prevailed.

Madore moved that the name of Kahn be added as an author on H. F. No. 1112. The motion prevailed.

Atkins moved that the name of Demmer be added as an author on H. F. No. 1144. The motion prevailed.

Dominguez moved that the name of McFarlane be added as an author on H. F. No. 1174. The motion prevailed.

Knuth moved that the name of Slocum be added as an author on H. F. No. 1214. The motion prevailed.

Hilstrom moved that the name of Moe be added as an author on H. F. No. 1220. The motion prevailed.

Kalin moved that the name of Slocum be added as an author on H. F. No. 1221. The motion prevailed.

Hilty moved that the name of Slocum be added as an author on H. F. No. 1223. The motion prevailed.

Lesch moved that the name of Slocum be added as an author on H. F. No. 1232. The motion prevailed.

Berns moved that the name of Slocum be added as an author on H. F. No. 1236. The motion prevailed.

Lesch moved that the name of Slocum be added as an author on H. F. No. 1238. The motion prevailed.

Marquart moved that the name of Slocum be added as an author on H. F. No. 1240. The motion prevailed.

Atkins moved that the name of Slocum be added as an author on H. F. No. 1251. The motion prevailed.

Nelson moved that the name of Tillberry be added as an author on H. F. No. 1283. The motion prevailed.

Lesch moved that the name of Slocum be added as an author on H. F. No. 1311. The motion prevailed.

Hortman moved that the name of Slocum be added as an author on H. F. No. 1316. The motion prevailed.

Hornstein moved that the name of Slocum be added as an author on H. F. No. 1317. The motion prevailed.

Urdahl moved that the name of Slocum be added as an author on H. F. No. 1323. The motion prevailed.

Peterson, S., moved that the name of Slocum be added as an author on H. F. No. 1325. The motion prevailed.

Clark moved that the name of Slocum be added as an author on H. F. No. 1332. The motion prevailed.

Dill moved that the name of Demmer be added as an author on H. F. No. 1333. The motion prevailed.

Lesch moved that the name of Slocum be added as an author on H. F. No. 1334. The motion prevailed.

Hornstein moved that the name of Slocum be added as an author on H. F. No. 1351. The motion prevailed.

Moe moved that the name of Slocum be added as an author on H. F. No. 1352. The motion prevailed.

Walker moved that the name of Slocum be added as an author on H. F. No. 1357. The motion prevailed.

Doty moved that the name of Slocum be added as an author on H. F. No. 1362. The motion prevailed.

Liebling moved that the name of Slocum be added as an author on H. F. No. 1367. The motion prevailed.

Olin moved that the name of Slocum be added as an author on H. F. No. 1368. The motion prevailed.

Hansen moved that the name of Slocum be added as an author on H. F. No. 1373. The motion prevailed.

Atkins moved that the name of Slocum be added as an author on H. F. No. 1381. The motion prevailed.

Thissen moved that the name of Slocum be added as an author on H. F. No. 1382. The motion prevailed.

Moe moved that the name of Slocum be added as an author on H. F. No. 1383. The motion prevailed.

Benson moved that the name of Slocum be added as an author on H. F. No. 1387. The motion prevailed.

Howes moved that the name of Slocum be added as an author on H. F. No. 1390. The motion prevailed.

Hilty moved that the name of Slocum be added as an author on H. F. No. 1392. The motion prevailed.

Huntley moved that the name of Slocum be added as an author on H. F. No. 1398. The motion prevailed.

Howes moved that the names of Mariani, Hausman and Murphy, E., be added as authors on H. F. No. 1408. The motion prevailed.

Bly moved that the name of Slocum be added as an author on H. F. No. 1413. The motion prevailed.

Davnie moved that the name of Slocum be added as an author on H. F. No. 1414. The motion prevailed.

Poppe moved that the name of Slocum be added as an author on H. F. No. 1420. The motion prevailed.

Wagenius moved that the name of Slocum be added as an author on H. F. No. 1421. The motion prevailed.

Holberg moved that the name of Slocum be added as an author on H. F. No. 1425. The motion prevailed.

Kahn moved that the name of Slocum be added as an author on H. F. No. 1440. The motion prevailed.

Slawik moved that the name of Slocum be added as an author on H. F. No. 1442. The motion prevailed.

Tingelstad moved that the name of Slocum be added as an author on H. F. No. 1445. The motion prevailed.

Hansen moved that the name of Dittrich be added as an author on H. F. No. 1449. The motion prevailed.

Hilty moved that the name of Slocum be added as an author on H. F. No. 1453. The motion prevailed.

Hortman moved that the name of Slocum be added as an author on H. F. No. 1463. The motion prevailed.

Tschumper moved that the name of Slocum be added as an author on H. F. No. 1469. The motion prevailed.

Smith moved that the names of Olin, Lillie and Welti be added as authors on H. F. No. 1473. The motion prevailed.

Erhardt moved that the names of Slocum and Abeler be added as authors on H. F. No. 1502. The motion prevailed.

Walker moved that the name of Brod be added as an author on H. F. No. 1503. The motion prevailed.

Moe moved that the name of Heidgerken be added as an author on H. F. No. 1508. The motion prevailed.

Gunther moved that the name of Abeler be added as an author on H. F. No. 1517. The motion prevailed.

Gunther moved that the name of Abeler be added as an author on H. F. No. 1537. The motion prevailed.

Lesch moved that the names of Greiling, Anzelc and Johnson be added as authors on H. F. No. 1543. The motion prevailed.

Simon moved that the name of Sailer be added as an author on H. F. No. 1567. The motion prevailed.

Clark moved that the name of Kahn be added as an author on H. F. No. 1573. The motion prevailed.

Walker moved that the name of Kahn be added as an author on H. F. No. 1578. The motion prevailed.

Magnus moved that the name of Lanning be added as an author on H. F. No. 1600. The motion prevailed.

Hortman moved that the name of Morgan be added as an author on H. F. No. 1602. The motion prevailed.

Bigham moved that the name of Kahn be added as an author on H. F. No. 1608. The motion prevailed.

Fritz moved that the name of Abeler be added as an author on H. F. No. 1612. The motion prevailed.

Lenczewski moved that the name of Kahn be added as an author on H. F. No. 1614. The motion prevailed.

Bunn moved that the name of Kahn be added as an author on H. F. No. 1621. The motion prevailed.

Clark moved that the name of Kahn be added as an author on H. F. No. 1623. The motion prevailed.

Hilstrom moved that the name of Bigham be added as an author on H. F. No. 1627. The motion prevailed.

Hamilton moved that his name be stricken as an author on H. F. No. 1633. The motion prevailed.

Nornes moved that the names of Marquart, Lanning, Erickson and Simpson be added as authors on H. F. No. 1650. The motion prevailed.

Peterson, A., moved that the name of Moe be added as an author on H. F. No. 1654. The motion prevailed.

Dettmer moved that the name of Beard be added as an author on H. F. No. 1657. The motion prevailed.

Hansen moved that the name of Kahn be added as an author on H. F. No. 1661. The motion prevailed.

Moe moved that the name of Kahn be added as an author on H. F. No. 1662. The motion prevailed.

Moe moved that the name of Kahn be added as an author on H. F. No. 1663. The motion prevailed.

Eken moved that the names of Kahn, Ozment and Tingelstad be added as authors on H. F. No. 1666. The motion prevailed.

Mullery moved that the name of Winkler be added as an author on H. F. No. 1685. The motion prevailed.

Hortman moved that the name of Moe be added as an author on H. F. No. 1689. The motion prevailed.

Anzels moved that the name of Bigham be added as an author on H. F. No. 1691. The motion prevailed.

Erickson moved that the name of Beard be added as an author on H. F. No. 1693. The motion prevailed.

Atkins moved that the name of Kahn be added as an author on H. F. No. 1737. The motion prevailed.

Greiling moved that the name of Slawik be added as an author on H. F. No. 1738. The motion prevailed.

Dominguez moved that H. F. No. 580 be recalled from the Committee on E-12 Education and be re-referred to the Committee on Finance. The motion prevailed.

#### ADJOURNMENT

Sertich moved that when the House adjourns today it adjourn until 10:00 a.m., Thursday, March 8, 2007. The motion prevailed.

Sertich moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Thursday, March 8, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives