

## STATE OF MINNESOTA

## EIGHTY-FIFTH SESSION — 2007

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 THIRTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, MARCH 27, 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 James Peck, Redeeming Love Church, Maplewood, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Lieder, Scalze and Smith were excused.

Lenczewski was excused until 12:00 noon.

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

**REPORTS OF STANDING COMMITTEES AND DIVISIONS**

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

H. F. No. 49, A bill for an act relating to public nuisances; providing that certain criminal gang behavior is a public nuisance; authorizing injunctive relief and other remedies; proposing coding for new law in Minnesota Statutes, chapter 617.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 117, A bill for an act relating to courts; modifying personal jurisdiction over foreign corporations and nonresident individuals in certain matters; amending Minnesota Statutes 2006, section 543.19, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 211, A bill for an act relating to mortgage lending; prohibiting sale of information provided on a mortgage application; amending Minnesota Statutes 2006, section 13C.01, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 258, A resolution memorializing Congress to offer greater flexibility to states and fully fund the No Child Left Behind Act as part of its reauthorization.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 287, A bill for an act relating to employment; proposing coding for new law in Minnesota Statutes, chapter 181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[181.9631] NOTICE OF EMPLOYEE RIGHTS.**

An employer as defined under section 181.960, subdivision 3, shall provide written notice to a job applicant upon hire of the rights and remedies provided in sections 181.960 to 181.965. An employer shall also post in an appropriate and conspicuous location on the employer's premises notice of these rights and remedies. Any negligent failure to post the notice required under this section shall not effect any employer defense under sections 181.960 to 181.966.

**EFFECTIVE DATE.** This section is effective January 1, 2008."

Delete the title and insert:

"A bill for an act relating to employment; requiring notice and posting of personnel record provisions; proposing coding for new law in Minnesota Statutes, chapter 181."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 479, A bill for an act relating to health; providing for a universal health care system that provides affordable access to high quality medical care for all Minnesotans; requiring a focus on preventive care and early intervention; providing comprehensive benefits; reducing costs through prevention, efficiency, and elimination of bureaucracy; directing the commissioner of health to prepare a plan to be implemented by 2010; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 62J.07, subdivision 2, is amended to read:

Subd. 2. **Membership.** The Legislative Commission on Health Care Access consists of ~~five~~ ten members of the senate appointed under the rules of the senate and ~~five~~ ten members of the house of representatives appointed under the rules of the house of representatives. The Legislative Commission on Health Care Access must include ~~three~~ seven members of the majority party and ~~two~~ three members of the minority party in each house.

Sec. 2. **[144.7055] UNIVERSAL HEALTH CARE SYSTEM.**

Subdivision 1. **Legislative Commission on Health Care Access.** The Legislative Commission on Health Care Access established under section 62J.07 shall design a universal health care system for Minnesota that meets the requirements specified in subdivision 2. The commission shall prepare proposed legislation for submission to the legislature by January 31, 2008, to establish a universal health care system for Minnesota to take effect in January 2010. The proposed legislation must meet all of the requirements specified in subdivision 2.

Subd. 2. **Requirements for universal health care system.** The commission's proposal to the legislature under subdivision 1 shall be designed in a manner that:

- (1) ensures all Minnesotans receive high quality health care, regardless of their income;
- (2) allows patients the ability to choose their own providers;
- (3) does not restrict or deny care or reduce the quality of care to hold down costs, but instead reduces costs through prevention, efficiency, and elimination of bureaucracy;
- (4) provides comprehensive benefits, including all coverage currently required by law, complete mental health services, chemical dependency treatment, prescription drugs, medical equipment and supplies, dental care, long-term care, and home care services;
- (5) is funded through premiums and other payments based on the person's ability to pay, so as not to deny full access to all Minnesotans;
- (6) focuses on preventive care and early intervention to improve the health of all Minnesotans and reduce later costs from untreated illnesses and diseases;
- (7) ensures an adequate number of qualified health care professionals and facilities to guarantee timely access to quality care throughout the state;
- (8) continues promoting Minnesota's leadership in medical education, training, research, and technology; and
- (9) provides adequate and timely payments to providers.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; requiring the Legislative Commission on Health Care Access to design a universal health care system; amending Minnesota Statutes 2006, section 62J.07, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 144."

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. 499, A bill for an act relating to human services; modifying chemical use assessments; imposing duties on the commissioner of human services related to chemical health; requiring reports; proposing coding for new law in Minnesota Statutes, chapter 254A.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 169A.70, subdivision 4, is amended to read:

Subd. 4. **Assessor standards; rules; assessment time limits.** A chemical use assessment required by this section must be conducted by an assessor appointed by the court. The assessor must meet the training and qualification requirements of rules adopted by the commissioner of human services under section 254A.03, subdivision 3 (chemical dependency treatment rules). Notwithstanding section 13.82 (law enforcement data), the assessor shall have access to any police reports, laboratory test results, and other law enforcement data relating to the current offense or previous offenses that are necessary to complete the evaluation. An assessor providing an assessment under this section may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider, except as authorized under section 254A.20, subdivision 3. If an independent assessor is not available, the court may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An appointment for the defendant to undergo the assessment must be made by the court, a court services probation officer, or the court administrator as soon as possible but in no case more than one week after the defendant's court appearance. The assessment must be completed no later than three weeks after the defendant's court appearance. If the assessment is not performed within this time limit, the county where the defendant is to be sentenced shall perform the assessment. The county of financial responsibility must be determined under chapter 256G.

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

Page 2, line 5, delete "or"

Page 2, line 12, delete the period and insert "; or"

Page 2, after line 12, insert:

"(3) the county social service agency has an existing relationship with an assessor or service provider and elects to enter into a contract with that assessor to provide both assessment and treatment under circumstances specified in the county's contract, provided the county retains responsibility for making placement decisions."

Page 2, line 24, after "alcohol" insert "and chemical substance"

Page 2, after line 32, insert:

"Sec. 4. Minnesota Statutes 2006, section 609.115, subdivision 8, is amended to read:

Subd. 8. **Chemical use assessment required.** (a) If a person is convicted of a felony, the probation officer shall determine in the report prepared under subdivision 1 whether or not alcohol or drug use was a contributing factor to the commission of the offense. If so, the report shall contain the results of a chemical use assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the defendant to undergo the chemical use assessment if so indicated.

(b) The chemical use assessment report must include a recommended level of care for the defendant in accordance with the criteria contained in rules adopted by the commissioner of human services under section 254A.03, subdivision 3. The assessment must be conducted by an assessor qualified under rules adopted by the commissioner of human services under section 254A.03, subdivision 3. An assessor providing a chemical use assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider, except as authorized under section 254A.20, subdivision 3. If an independent

assessor is not available, the probation officer may use the services of an assessor authorized to perform assessments for the county social services agency under a variance granted under rules adopted by the commissioner of human services under section 254A.03, subdivision 3.

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

Page 3, line 8, before "by" insert "after consulting with counties and other affected stakeholders"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, before "imposing" insert "regulating chemical assessors and providers;"

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.

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

H. F. No. 529, A bill for an act relating to insurance; requiring coverage for amino acid based elemental formulas; amending Minnesota Statutes 2006, sections 62A.26; 256B.0625, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 584, A bill for an act relating to public safety; increasing penalties for metal theft; amending Minnesota Statutes 2006, section 609.52, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### GENERAL CRIME

Section 1. Minnesota Statutes 2006, section 518B.01, subdivision 22, is amended to read:

Subd. 22. **Domestic abuse no contact order.** (a) A domestic abuse no contact order is an order issued by a court against a defendant in a criminal proceeding for:

(1) domestic abuse;

- (2) harassment or stalking charged under section 609.749 and committed against a family or household member;
- (3) violation of an order for protection charged under subdivision 14; or
- (4) violation of a prior domestic abuse no contact order charged under this subdivision.

It includes pretrial orders before final disposition of the case and probationary orders after sentencing.

(b) A person who knows of the existence of a domestic abuse no contact order issued against the person and violates the order is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor who knowingly violates this subdivision within ten years of a previous qualified domestic violence-related offense conviction or adjudication of delinquency. Upon a gross misdemeanor conviction under this paragraph, the defendant must be sentenced to a minimum of ten days' imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court as provided in section 518B.02. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(d) A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person knowingly violates this subdivision within ten years of the first of two or more previous qualified domestic violence-related offense convictions or adjudications of delinquency. Upon a felony conviction under this paragraph in which the court stays imposition or execution of sentence, the court shall impose at least a 30-day period of incarceration as a condition of probation. The court also shall order that the defendant participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for felony convictions.

~~(d)~~ (e) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated a domestic abuse no contact order, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2006, section 609.02, subdivision 16, is amended to read:

Subd. 16. **Qualified domestic violence-related offense.** "Qualified domestic violence-related offense" includes a violation of or an attempt to violate the following offenses: sections 518B.01, subdivision 14 (violation of domestic abuse order for protection); 518B.01, subdivision 22 (violation of domestic abuse no contact order); 609.185 (first-degree murder); 609.19 (second-degree murder); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.2242 (domestic assault); 609.2247 (domestic assault by strangulation); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.377 (malicious punishment of a child); 609.713 (terroristic threats); 609.748, subdivision 6 (violation of harassment restraining order); 609.749 (harassment/stalking); and 609.78, subdivision 2 (interference with an emergency call); and similar laws of other states, the United States, the District of Columbia, tribal lands, and United States territories.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2006, section 609.341, subdivision 11, is amended to read:

Subd. 11. **Sexual contact.** (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to ~~(m)~~ (o), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts, or

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by a person in a position of authority, or by coercion, or by inducement if the complainant is under 13 years of age or mentally impaired, or

(iii) the touching by another of the complainant's intimate parts effected by coercion or by a person in a position of authority, or

(iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

(i) the intentional touching by the actor of the complainant's intimate parts;

(ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;

(iii) the touching by another of the complainant's intimate parts; or

(iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 4. Minnesota Statutes 2006, section 609.344, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case, if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

(i) the actor or an accomplice used force or coercion to accomplish the penetration;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense; ~~or~~

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, and the sexual penetration occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; ~~or~~

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual penetration occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 5. Minnesota Statutes 2006, section 609.345, subdivision 1, is amended to read:

Subdivision 1. **Crime defined.** A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant. Consent by the complainant to the act is not a defense. In any such case, if the actor is no more than 120 months older than the complainant, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor reasonably believes the complainant to be 16 years of age or older. In all other cases, mistake as to the complainant's age shall not be a defense;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

(i) the actor or an accomplice used force or coercion to accomplish the contact;

(ii) the complainant suffered personal injury; or

(iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists. Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense;

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private. Consent by the complainant is not a defense;

(m) the actor is an employee, independent contractor, or volunteer of a state, county, city, or privately operated adult or juvenile correctional system, including, but not limited to, jails, prisons, detention centers, or work release facilities, and the complainant is a resident of a facility or under supervision of the correctional system. Consent by the complainant is not a defense; ~~or~~

(n) the actor provides or is an agent of an entity that provides special transportation service, the complainant used the special transportation service, the complainant is not married to the actor, and the sexual contact occurred during or immediately before or after the actor transported the complainant. Consent by the complainant is not a defense; or

(o) the actor performs massage or other bodywork for hire, the complainant was a user of one of those services, and nonconsensual sexual contact occurred during or immediately before or after the actor performed or was hired to perform one of those services for the complainant.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2006, section 609.3451, subdivision 3, is amended to read:

Subd. 3. **Felony.** A person is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if the person violates ~~subdivision 1, clause (2)~~ this section, after having been previously convicted of or adjudicated delinquent for violating ~~subdivision 1, clause (2)~~

this section; sections 609.342 to 609.345; section 609.3453; section 617.23, subdivision 2, clause (1); section 617.247; or a statute from another state in conformity with subdivision 1, clause (2), or section 617.23, subdivision 2, clause (1) with one of these statutes.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2006, section 609.3455, subdivision 4, is amended to read:

Subd. 4. **Mandatory life sentence; repeat offenders.** (a) Notwithstanding the statutory maximum penalty otherwise applicable to the offense, the court shall sentence a person to imprisonment for life if the person is convicted of violating section 609.342, 609.343, 609.344, 609.345, or 609.3453 and:

(1) the person has two previous sex offense convictions;

(2) the person has a previous sex offense conviction and:

(i) the factfinder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for the previous sex offense conviction; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for the previous sex offense conviction; or

(3) the person has two prior sex offense convictions, and the factfinder determines that the prior convictions and present offense involved at least three separate victims, and:

(i) the factfinder determines that the present offense involved an aggravating factor that would provide grounds for an upward durational departure under the sentencing guidelines other than the aggravating factor applicable to repeat criminal sexual conduct convictions;

(ii) the person received an upward durational departure from the sentencing guidelines for one of the prior sex offense convictions; or

(iii) the person was sentenced under this section or Minnesota Statutes 2004, section 609.108, for one of the prior sex offense convictions.

(b) Notwithstanding paragraph (a), a court may not sentence a person to imprisonment for life for a violation of section 609.345, unless at least one of the person's previous or prior sex offense convictions that are being used as the basis for the sentence are for violations of section 609.342, 609.343, 609.344, or 609.3453, or any similar statute of the United States, this state, or any other state.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2006, section 609.3455, is amended by adding a subdivision to read:

Subd. 9. **Applicability.** The provisions of this section do not affect the applicability of Minnesota Statutes 2004, section 609.108, to crimes committed before August 1, 2005, or the validity of sentences imposed under Minnesota Statutes 2004, section 609.108.

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

Sec. 9. Minnesota Statutes 2006, section 609.505, subdivision 2, is amended to read:

Subd. 2. **Reporting police misconduct.** (a) Whoever informs, or causes information to be communicated to, a peace officer, whose responsibilities include investigating or reporting police misconduct, or other person working under the authority of a chief law enforcement officer, whose responsibilities include investigating or reporting police misconduct, that a peace officer, as defined in section 626.84, subdivision 1, paragraph (c), has committed an act of police misconduct, knowing that the information is false, is guilty of a crime and may be sentenced as follows:

- (1) up to the maximum provided for a misdemeanor if the false information does not allege a criminal act; or
- (2) up to the maximum provided for a gross misdemeanor if the false information alleges a criminal act.

(b) The court shall order any person convicted of a violation of this subdivision to make full restitution of all reasonable expenses incurred in the investigation of the false allegation unless the court makes a specific written finding that restitution would be inappropriate under the circumstances. A restitution award may not exceed \$3,000.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 10. **[609.593] TAMPERING WITH GAS AND ELECTRICAL LINES.**

Whoever intentionally and without claim of right, takes, removes, breaks, or severs, a line or any part connected to a line that is used for supplying or transporting gas or electricity without the consent of one authorized to give consent and in a manner that creates a substantial risk of death or bodily harm or serious property damage is guilty of a felony and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2006, section 609.748, subdivision 1, is amended to read:

Subdivision 1. **Definition.** For the purposes of this section, the following terms have the meanings given them in this subdivision.

(a) "Harassment" includes:

(1) a single incident of physical or sexual assault or repeated incidents of intrusive or unwanted acts, words, or gestures that have a substantial adverse effect or are intended to have a substantial adverse effect on the safety, security, or privacy of another, regardless of the relationship between the actor and the intended target;

(2) targeted residential picketing; ~~and~~

(3) a pattern of attending public events after being notified that the actor's presence at the event is harassing to another; and

(4) a single incident of posing as another person or persons through the use of the Internet or a computer, computer program, computer network, or computer system, without express authorization in order to harass or defame another person or persons.

(b) "Respondent" includes any adults or juveniles alleged to have engaged in harassment or organizations alleged to have sponsored or promoted harassment.

(c) "Targeted residential picketing" includes the following acts when committed on more than one occasion:

(1) marching, standing, or patrolling by one or more persons directed solely at a particular residential building in a manner that adversely affects the safety, security, or privacy of an occupant of the building; or

(2) marching, standing, or patrolling by one or more persons which prevents an occupant of a residential building from gaining access to or exiting from the property on which the residential building is located.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 12. Minnesota Statutes 2006, section 609.748, subdivision 5, is amended to read:

Subd. 5. **Restraining order.** (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the right to request a hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

Except as provided in paragraph (c), a restraining order may be issued only against the respondent named in the petition; ~~except that~~ and if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. Relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

(b) An order issued under this subdivision must be personally served upon the respondent.

(c) If the harassment involves communication through the use of the Internet or a computer, computer program, computer network, or computer system, a restraining order may also be issued against private computer networks, including Internet service providers or computer bulletin board systems, that are publishing harassing information. A restraining order issued under this paragraph may direct the respondent or a private computer network to remove or correct the harassing information. A restraining order issued under this paragraph may be served by mail upon any private computer network affected.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 13. **REPEALER.**

Minnesota Statutes 2006, section 609.805, is repealed.

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

ARTICLE 2

DWI AND DRIVING RELATED PROVISIONS

Section 1. Minnesota Statutes 2006, section 169A.275, is amended by adding a subdivision to read:

Subd. 7. **Exception.** (a) A judge is not required to sentence a person as provided in this section if the judge requires the person as a condition of probation to drive only motor vehicles equipped with an ignition interlock device meeting the standards described in section 171.306.

(b) This subdivision expires July 1, 2009.

**EFFECTIVE DATE.** This section is effective July 1, 2007, and applies to crimes committed on or after that date.

Sec. 2. Minnesota Statutes 2006, section 169A.51, subdivision 7, is amended to read:

Subd. 7. **Requirements for conducting tests; liability.** (a) Only a physician, medical technician, emergency medical technician-paramedic, registered nurse, medical technologist, medical laboratory technician, phlebotomist, or laboratory assistant acting at the request of a peace officer may withdraw blood for the purpose of determining the presence of alcohol, a controlled substance or its metabolite, or a hazardous substance. This limitation does not apply to the taking of a breath or urine sample.

(b) The person tested has the right to have someone of the person's own choosing administer a chemical test or tests in addition to any administered at the direction of a peace officer; provided, that the additional test sample on behalf of the person is obtained at the place where the person is in custody, after the test administered at the direction of a peace officer, and at no expense to the state. The failure or inability to obtain an additional test or tests by a person does not preclude the admission in evidence of the test taken at the direction of a peace officer unless the additional test was prevented or denied by the peace officer.

(c) The physician, medical technician, emergency medical technician-paramedic, medical technologist, medical laboratory technician, laboratory assistant, phlebotomist, or registered nurse drawing blood at the request of a peace officer for the purpose of determining the concentration of alcohol, a controlled substance or its metabolite, or a hazardous substance is in no manner liable in any civil or criminal action except for negligence in drawing the blood. The person administering a breath test must be fully trained in the administration of breath tests pursuant to training given by the commissioner of public safety.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to crimes committed on or after that date.

Sec. 3. Minnesota Statutes 2006, section 171.12, is amended by adding a subdivision to read:

Subd. 9. **Driving record disclosure to law enforcement.** The commissioner shall also furnish driving records, without charge, to chiefs of police, county sheriffs, prosecuting attorneys, and other law enforcement agencies with the power to arrest.

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

Sec. 4. **[171.306] IGNITION INTERLOCK DEVICE PILOT PROJECT.**

**Subdivision 1. Pilot project established; reports.** The commissioner shall conduct a two-year ignition interlock device pilot project as provided in this section. The commissioner shall select one metropolitan county and one rural county to participate in the pilot project. The pilot project must begin on July 1, 2007, and continue until June 30, 2009. The commissioner shall submit two preliminary reports by February 1, 2008, and by December 1, 2008, and a final report by September 1, 2009, to the chairs and ranking minority members of the senate and house of representatives committees having jurisdiction over criminal justice policy and funding. The reports must evaluate the successes and failures of the pilot project, provide information on participation rates, and make recommendations on continuing the project.

**Subd. 2. Performance standards; certification.** The commissioner shall determine appropriate performance standards and a certification process for ignition interlock devices for the pilot project. Only devices certified by the commissioner as meeting the performance standards may be used in the pilot project.

**Subd. 3. Pilot project components.** (a) Under the pilot project, the commissioner shall issue a driver's license to an individual whose driver's license has been revoked under chapter 169A for a repeat impaired driving incident if the person qualifies under this section and agrees to all of the conditions of the project.

(b) The commissioner must flag the person's driver's license record to indicate the person's participation in the program. The license must authorize the person to drive only vehicles having functioning ignition interlock devices conforming with the requirements of subdivision 2.

(c) Notwithstanding any statute or rule to the contrary, the commissioner has authority to and shall determine the appropriate period for which a person participating in the ignition interlock pilot program shall be subject to this program, and when the person is eligible to be issued:

(1) a limited driver's license subject to the ignition interlock restriction;

(2) full driving privileges subject to the ignition interlock restriction; and

(3) a driver's license without an ignition interlock restriction.

(d) A person participating in this pilot project shall agree to participate in any treatment recommended by a chemical use assessment.

(e) The commissioner shall determine guidelines for participation in the project. A person participating in the project shall sign a written agreement accepting these guidelines and agreeing to comply with them.

(f) It is a misdemeanor for a person who is licensed under this section for driving a vehicle equipped with an ignition interlock device:

(1) to start or attempt to start, or to operate or attempt to operate, the vehicle while the person has any amount of alcohol in the person's body; or

(2) to drive, operate or be in physical control of a motor vehicle other than a vehicle properly equipped with an ignition interlock device.

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

Sec. 5. Minnesota Statutes 2006, section 171.55, is amended to read:

**171.55 OUT-OF-STATE CONVICTIONS GIVEN EFFECT.**

The commissioner shall give the same effect for driver licensing purposes to conduct reported from a licensing authority or court in another state or province or territory of Canada that the commissioner would give to conduct reported from a court or other agency of this state, whether or not the other state or province or territory of Canada is a party to the Driver License Compact in section 171.50. The conduct to be given effect by the commissioner includes a report of conviction for an offense enumerated in section 171.50, article IV, or an offense described in sections 171.17 and 171.18.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 6. Minnesota Statutes 2006, section 609.21, subdivision 1, is amended to read:

Subdivision 1. **Criminal vehicular homicide operation; crime described.** A person is guilty of criminal vehicular ~~homicide resulting in death and may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both~~ operation and may be sentenced as provided in subdivision 1a, if the person causes injury to or the death of a ~~human being not constituting murder or manslaughter~~ another as a result of operating a motor vehicle:

- (1) in a grossly negligent manner;
- (2) in a negligent manner while under the influence of:
  - (i) alcohol;
  - (ii) a controlled substance; or
  - (iii) any combination of those elements;
- (3) while having an alcohol concentration of 0.08 or more;
- (4) while having an alcohol concentration of 0.08 or more, as measured within two hours of the time of driving;
- (5) in a negligent manner while knowingly under the influence of a hazardous substance;
- (6) in a negligent manner while any amount of a controlled substance listed in schedule I or II, or its metabolite, other than marijuana or tetrahydrocannabinols, is present in the person's body; ~~or~~
- (7) where the driver who causes the accident leaves the scene of the accident in violation of section 169.09, subdivision 1 or ~~6~~; or
- (8) where the driver had actual knowledge that the motor vehicle was defectively maintained and the injury or death was caused by the defective maintenance.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 7. Minnesota Statutes 2006, section 609.21, is amended by adding a subdivision to read:

Subd. 1a. **Criminal penalties.** (a) A person who violates subdivision 1 and causes the death of a human being not constituting murder or manslaughter or the death of an unborn child may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) A person who violates subdivision 1 and causes great bodily harm to another not constituting attempted murder or assault or great bodily harm to an unborn child who is subsequently born alive may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

(c) A person who violates subdivision 1 and causes substantial bodily harm to another may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$10,000, or both.

(d) A person who violates subdivision 1 and causes bodily harm to another may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 8. Minnesota Statutes 2006, section 609.21, is amended by adding a subdivision to read:

Subd. 1b. **Conviction not bar to punishment for other crimes.** A prosecution for or a conviction of a crime under this section relating to causing death or injury to an unborn child is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 9. Minnesota Statutes 2006, section 609.21, subdivision 4a, is amended to read:

Subd. 4a. **Affirmative defense.** It shall be an affirmative defense to a charge under subdivision 1, clause (6); ~~2, clause (6); 2a, clause (6); 2b, clause (6); 3, clause (6); or 4, clause (6)~~, that the defendant used the controlled substance according to the terms of a prescription issued for the defendant in accordance with sections 152.11 and 152.12.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 10. Minnesota Statutes 2006, section 609.21, subdivision 5, is amended to read:

Subd. 5. **Definitions.** For purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Motor vehicle" has the meaning given in section 609.52, subdivision 1, and includes attached trailers.

(b) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

(c) "Hazardous substance" means any chemical or chemical compound that is listed as a hazardous substance in rules adopted under chapter 182.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Sec. 11. Minnesota Statutes 2006, section 634.15, subdivision 1, is amended to read:

Subdivision 1. **Certificates of analysis; blood sample reports; chain of custody.** (a) In any hearing or trial of a criminal offense or petty misdemeanor or proceeding pursuant to section 169A.53, subdivision 3, the following documents shall be admissible in evidence:

~~(a)~~ (1) a report of the facts and results of any laboratory analysis or examination if it is prepared and attested by the person performing the laboratory analysis or examination in any laboratory operated by the Bureau of Criminal Apprehension or authorized by the bureau to conduct an analysis or examination, or in any laboratory of the Federal Bureau of Investigation, the federal Postal Inspection Service, the federal Bureau of Alcohol, Tobacco and Firearms, or the federal Drug Enforcement Administration;

~~(b)~~ (2) a report of a blood sample withdrawn under the implied consent law if:

(i) the report was prepared by the person who administered the test;

(ii) the person who withdrew the blood sample was competent to administer the test under section 169A.51, subdivision 7; and

(iii) the report was prepared consistent with any applicable rules promulgated by the commissioner of public safety; and

~~(e)~~ (3) a verified chain of custody of a specimen while under the control of a laboratory described in clause ~~(a)~~ (1).

(b) A report described in paragraph (a), clause ~~(a)~~ (1), purported to be signed by the person performing the analysis or examination in a laboratory named in that clause, or a blood sample report described in paragraph (a), clause ~~(b)~~ (2), purported to be signed by the person who withdrew the blood sample shall be admissible as evidence without proof of the seal, signature or official character of the person whose name is signed to it. The signature in paragraph (a), clause ~~(a)~~ (1) or ~~(b)~~ (2), can be written or in electronic format.

(c) At least 20 days before trial, the prosecutor shall submit to the accused person or the accused person's attorney notice of the contents of a report described in paragraph (a) and of the requirements of subdivision 2.

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

Sec. 12. Minnesota Statutes 2006, section 634.15, subdivision 2, is amended to read:

Subd. 2. **Testimony at trial.** (a) Except in civil proceedings, including proceedings under section 169A.53, an accused person or the accused person's attorney may request, by notifying the prosecuting attorney at least ten days before the trial, that the following persons testify in person at the trial on behalf of the state:

~~(a)~~ (1) a person who performed the laboratory analysis or examination for the report described in subdivision 1, paragraph (a), clause ~~(a)~~ (1); or

~~(b)~~ (2) a person who prepared the blood sample report described in subdivision 1, paragraph (a), clause ~~(b)~~ (2).

If a petitioner in a proceeding under section 169A.53 subpoenas a person described in paragraph ~~(a)~~ clause (1) or ~~(b)~~ (2) to testify at the proceeding, the petitioner is not required to pay the person witness fees under section 357.22 in excess of \$100.

(b) If the accused person or the accused person's attorney does not comply with the ten-day requirement described in paragraph (a), the prosecutor is not required to produce the person who performed the analysis or examination or prepared the report. In this case, the accused person's right to confront that witness is waived and the report shall be admitted into evidence.

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

Sec. 13. **REVISOR'S INSTRUCTION.**

(a) In Minnesota Statutes, sections 171.3215, subdivision 2a; and 609.135, subdivision 2, the revisor of statutes shall change the references in column A to the references in column B.

<u>Column A</u>	<u>Column B</u>
<u>609.21, subdivision 1</u>	<u>609.21, subdivision 1a, paragraph (a)</u>
<u>609.21, subdivision 2</u>	<u>609.21, subdivision 1a, paragraph (b)</u>
<u>609.21, subdivision 2a</u>	<u>609.21, subdivision 1a, paragraph (c)</u>
<u>609.21, subdivision 2b</u>	<u>609.21, subdivision 1a, paragraph (d)</u>
<u>609.21, subdivision 4</u>	<u>609.21, subdivision 1a, paragraph (b)</u>

(b) In Minnesota Statutes, section 609.035, subdivision 1, the revisor of statutes shall replace the reference to Minnesota Statutes, section 609.21, subdivisions 3 and 4, with a reference to Minnesota Statutes, section 609.21, subdivision 1b.

(c) In Minnesota Statutes, section 609.266, the revisor of statutes shall replace the reference to Minnesota Statutes, section 609.21, subdivisions 3 and 4, with a reference to Minnesota Statutes, section 609.21, subdivision 1a, paragraphs (a) and (b).

(d) In Minnesota Statutes, section 169A.03, subdivisions 20 and 21, and Minnesota Statutes, section 169A.24, subdivision 1, the revisor of statutes shall strike the references to Minnesota Statutes, section 609.21, subdivision 2, clauses (2) to (6); subdivision 2a, clauses (2) to (6); subdivision 2b, clauses (2) to (6); subdivision 3, clauses (2) to (6); and subdivision 4, clauses (2) to (6).

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

Sec. 14. **REPEALER.**

Subdivision 1. **Verify auto insurance.** Minnesota Statutes 2006, section 169.796, subdivision 3, is repealed.

Subd. 2. **Suspension of mailed demands.** Laws 2005, First Special Session chapter 6, article 3, section 91, is repealed.

Subd. 3. **Criminal vehicular operation.** Minnesota Statutes 2006, section 609.21, subdivisions 2, 2a, 2b, 3, and 4, are repealed.

**EFFECTIVE DATE.** Subdivisions 1 and 2 are effective the day following final enactment. Subdivision 3 is effective August 1, 2007.

## ARTICLE 3

## CRIME VICTIMS

Section 1. **[504B.206] RIGHT OF VICTIMS OF DOMESTIC ABUSE TO TERMINATE LEASE.**

**Subdivision 1. Right to terminate; procedure.** A tenant to a residential lease who is a victim of domestic abuse and fears imminent domestic abuse against the tenant or the tenant's children by remaining in the leased premises may terminate a lease agreement without penalty or liability, except as provided by this section, by providing written notice to the landlord stating that the tenant fears imminent domestic abuse and indicating the specific date the tenant intends to vacate the premises. The written notice must be delivered by mail, fax, or in person, and be accompanied by one of the following:

(1) an order for protection under chapter 518B; or

(2) a no contact order, currently in effect, issued under section 518B.01, subdivision 22, or chapter 609.

**Subd. 2. Confidentiality of information.** Information provided to the landlord by the victim documenting domestic abuse pursuant to subdivision 1 shall be treated by the landlord as confidential. The information may not be entered into any shared database or provided to any entity except when required for use in an eviction proceeding, upon the consent of the victim, or as otherwise required by law.

**Subd. 3. Liability for rent; termination of tenancy.** (a) A tenant terminating a lease pursuant to subdivision 1 is responsible for one month's rent following the vacation of the premises and is relieved of any contractual obligation for payment of rent or any other charges for the remaining term of the lease.

(b) This section does not affect a tenant's liability for delinquent, unpaid rent or other sums owed to the landlord before the lease was terminated by the tenant under this section. The return or retention of the security deposit is subject to the provisions of section 504B.178.

(c) The tenancy terminates, including the right of possession of the premises, when the tenant surrenders the keys to the premises to the landlord. The one month's rent is due and payable on or before the date the tenant vacates the premises, as indicated in their written notice pursuant to subdivision 1. For purposes of this section, the provisions of section 504B.178 commence upon the first day of the month following either:

(1) the date the tenant vacates the premises; or

(2) the date the tenant pays the one month's rent, whichever occurs first.

(d) The provisions of this subdivision do not apply until written notice meeting the requirements of subdivision 1 is delivered to the landlord.

**Subd. 4. Multiple tenants.** Notwithstanding the release of a tenant from a lease agreement under this section, if there are any remaining tenants residing in the premises the tenancy shall continue for those remaining tenants. A perpetrator who has been excluded from the premises under court order remains liable under the lease with any other tenant of the premises for rent or damage to the premises.

**Subd. 5. Waiver prohibited.** A residential tenant may not waive, and a landlord may not require the residential tenant to waive, the resident tenant's rights under this section.

Subd. 6. **Definition.** For purposes of this section, "domestic abuse" has the meaning given in section 518B.01, subdivision 2.

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

Sec. 2. Minnesota Statutes 2006, section 518B.01, subdivision 6a, is amended to read:

Subd. 6a. **Subsequent orders and extensions.** (a) Upon application, notice to all parties, and hearing, the court may extend the relief granted in an existing order for protection or, if a petitioner's order for protection is no longer in effect when an application for subsequent relief is made, grant a new order. The court may extend the terms of an existing order or, if an order is no longer in effect, grant a new order upon a showing that:

- (1) the respondent has violated a prior or existing order for protection;
- (2) the petitioner is reasonably in fear of physical harm from the respondent;
- (3) the respondent has engaged in acts of harassment or stalking within the meaning of section 609.749, subdivision 2; or
- (4) the respondent is incarcerated and about to be released, or has recently been released from incarceration.

A petitioner does not need to show that physical harm is imminent to obtain an extension or a subsequent order under this subdivision.

(b) If the court extends relief in an existing order for protection or grants a new order, the court may order the respondent to provide the following information to the court for purposes of service of process: the respondent's home address, the respondent's employment address, and the names and locations of the respondent's parents, siblings, children, or other close relatives.

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

Sec. 3. Minnesota Statutes 2006, section 595.02, subdivision 1, is amended to read:

Subdivision 1. **Competency of witnesses.** Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of sections 626.556 and 626.557.

(h) An interpreter for a person disabled in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person disabled in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be ~~compelled to testify about~~ allowed to disclose any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(m) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(n) A communication assistant for a telecommunications relay system for communication-impaired persons shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

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

Sec. 4. Minnesota Statutes 2006, section 609.748, subdivision 5, is amended to read:

Subd. 5. **Restraining order.** (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

(1) the petitioner has filed a petition under subdivision 3;

(2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the right to request a hearing, or service has been made by publication under subdivision 3, paragraph (b); and

(3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. Relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

If the petitioner has had one or more restraining orders in effect against the respondent, the court may order the respondent to provide the following information to the court for purposes of service of process: the respondent's home address, the respondent's employment address, and the names and locations of the respondent's parents, siblings, children, or other close relatives.

(b) An order issued under this subdivision must be personally served upon the respondent. If personal service cannot be made, the court may order service by alternate means, or by publication, which publication must be made as in other actions. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons. The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent. The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Service shall be deemed complete 14 days after mailing or 14 days after court-ordered publication.

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

Sec. 5. Minnesota Statutes 2006, section 611A.036, subdivision 2, is amended to read:

Subd. 2. **Victim's spouse or next of kin.** An employer must allow a victim of a ~~heinous~~ violent crime, as well as the victim's spouse or next of kin, reasonable time off from work to attend criminal proceedings related to the victim's case.

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

Sec. 6. Minnesota Statutes 2006, section 611A.036, subdivision 7, is amended to read:

Subd. 7. **Definition.** As used in this section, "~~heinous crime~~" "violent crime" means a violation or attempt to violate any of the following: section 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.2241; 609.2242; 609.2245; 609.2247; 609.228; 609.23; 609.231; 609.2325; 609.233; 609.235; 609.24; 609.245; 609.25; 609.255; 609.265; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.2672; 609.268; 609.282; 609.342; 609.343; 609.344; 609.345; 609.3451; 609.3453; 609.352; 609.377; 609.378; 609.561, subdivision 1; 609.582, subdivision 1, paragraph (a) or (c); or 609.66, subdivision 1e, paragraph (b).

- ~~(1) a violation or attempted violation of section 609.185 or 609.19;~~
- ~~(2) a violation of section 609.195 or 609.221; or~~
- ~~(3) a violation of section 609.342, 609.343, or 609.344, if the offense was committed with force or violence or if the complainant was a minor at the time of the offense.~~

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

Sec. 7. **[611A.26] POLYGRAPH EXAMINATIONS; CRIMINAL SEXUAL CONDUCT COMPLAINTS; LIMITATIONS.**

Subdivision 1. **Polygraph prohibition.** No law enforcement agency or prosecutor shall require that a complainant of a criminal sexual conduct offense submit to a polygraph examination as part of or a condition to proceeding with the investigation, charging, or prosecution of such offense.

Subd. 2. **Law enforcement inquiry.** A law enforcement agency or prosecutor may not ask that a complainant of a criminal sexual conduct offense submit to a polygraph examination as part of the investigation, charging, or prosecution of such offense unless the complainant has been referred to, and had the opportunity to exercise the option of consulting with a sexual assault counselor as defined in section 595.02, subdivision 1, paragraph (k).

Subd. 3. **Informed consent requirement.** At the request of the complainant, a law enforcement agency may conduct a polygraph examination of the complainant only with the complainant's written, informed consent as provided in subdivision 3.

Subd. 4. **Informed consent.** To consent to a polygraph, a complainant must be informed in writing that:

- (1) the taking of the polygraph examination is voluntary and solely at the victim's request;
- (2) a law enforcement agency or prosecutor may not ask or require that the complainant submit to a polygraph examination;
- (3) the results of the examination are not admissible in court; and
- (4) the complainant's refusal to take a polygraph examination may not be used as a basis by the law enforcement agency or prosecutor not to investigate, charge, or prosecute the offender.

Subd. 5. **Polygraph refusal.** A complainant's refusal to submit to a polygraph examination shall not prevent the investigation, charging, or prosecution of the offense.

Subd. 6. **Definitions.** For the purposes of this section, the following terms have the meanings given.

- (a) "Criminal sexual conduct" means a violation of section 609.342, 609.343, 609.344, 609.345, or 609.3451.
- (b) "Complainant" means a person reporting to have been subjected to criminal sexual conduct.
- (c) "Polygraph examination" means any mechanical or electrical instrument or device of any type used or allegedly used to examine, test, or question individuals for the purpose of determining truthfulness.

**EFFECTIVE DATE.** This section is effective July 1, 2008.

## ARTICLE 4

## COURTS AND PUBLIC DEFENDERS

Section 1. Minnesota Statutes 2006, section 3.732, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions, courts, and officers in the executive, legislative, and judicial branches of the state of Minnesota and includes but is not limited to the Housing Finance Agency, the Minnesota Office of Higher Education, the Higher Education Facilities Authority, the Health Technology Advisory Committee, the Armory Building Commission, the Zoological Board, the Iron Range Resources and Rehabilitation Board, the State Agricultural Society, the University of Minnesota, the Minnesota State Colleges and Universities, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors, or employees of the state, members of the Minnesota National Guard, members of a bomb disposal unit approved by the commissioner of public safety and employed by a municipality defined in section 466.01 when engaged in the disposal or neutralization of bombs or other similar hazardous explosives, as defined in section 299C.063, outside the jurisdiction of the municipality but within the state, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation. It does not include either an independent contractor except, for purposes of this section and section 3.736 only, a guardian ad litem acting under court appointment, or members of the Minnesota National Guard while engaged in training or duty under United States Code, title 10, or title 32, section 316, 502, 503, 504, or 505, as amended through December 31, 1983. Notwithstanding sections 43A.02 and 611.263, for purposes of this section and section 3.736 only, "employee of the state" includes a district public defender or assistant district public defender in the Second or Fourth Judicial District and a member of the Health Technology Advisory Committee.

(3) "Scope of office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned by competent authority.

(4) "Judicial branch" has the meaning given in section 43A.02, subdivision 25.

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

Sec. 2. Minnesota Statutes 2006, section 3.736, subdivision 1, is amended to read:

Subdivision 1. **General rule.** The state will pay compensation for injury to or loss of property or personal injury or death caused by an act or omission of an employee of the state while acting within the scope of office or employment or a peace officer who is not acting on behalf of a private employer and who is acting in good faith under section 629.40, subdivision 4, under circumstances where the state, if a private person, would be liable to the claimant, whether arising out of a governmental or proprietary function. Nothing in this section waives the defense of judicial, quasi-judicial, or legislative immunity except to the extent provided in subdivision 8.

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

Sec. 3. Minnesota Statutes 2006, section 15A.083, subdivision 4, is amended to read:

Subd. 4. **Ranges for other judicial positions.** Salaries or salary ranges are provided for the following positions in the judicial branch of government. The appointing authority of any position for which a salary range has been provided shall fix the individual salary within the prescribed range, considering the qualifications and overall performance of the employee. ~~The Supreme Court shall set the salary of the state court administrator and the salaries of district court administrators. The salary of the state court administrator or a district court administrator may not exceed the salary of a district court judge.~~ If district court administrators die, the amounts of their unpaid salaries for the months in which their deaths occur must be paid to their estates. 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.

	Salary or Range Effective July 1, 1994
Board on Judicial Standards executive director	\$44,000-60,000

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

Sec. 4. Minnesota Statutes 2006, section 260C.193, subdivision 6, is amended to read:

Subd. 6. **Termination of jurisdiction.** The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, and except as otherwise provided in this subdivision, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so. ~~Court jurisdiction under section 260C.007, subdivision 6, clause (14), may not continue past the child's 18th birthday.~~

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

Sec. 5. 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.

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

Sec. 6. Minnesota Statutes 2006, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. **Coverage.** (a) Employees enumerated in paragraph (c), clauses (2), (3), (4), and (6) to (14), if they are in the unclassified service of the state or Metropolitan Council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified plan under this chapter unless the employee gives notice to the executive director of the Minnesota State Retirement System within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Persons referenced in paragraph (c), clause (5), are participants in the unclassified program under this chapter unless the person was eligible to elect different coverage under section 3A.07 and elected retirement coverage by the applicable alternative retirement plan. Persons referenced in paragraph (c), clause (15), are participants in the unclassified program under this chapter for judicial employment in excess of the service credit limit in section 490.121, subdivision 22.

(c) Enumerated employees and referenced persons are:

- (1) the governor, the lieutenant governor, the secretary of state, the state auditor, and the attorney general;
- (2) an employee in the Office of the Governor, Lieutenant Governor, Secretary of State, State Auditor, Attorney General;
- (3) an employee of the State Board of Investment;
- (4) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.0815 or 15A.083, subdivision 4;
- (5) a member of the legislature;

(6) a full-time unclassified employee of the legislature or a commission or agency of the legislature who is appointed without a limit on the duration of the employment or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota State Retirement System;

(7) a person who is employed in a position established under section 43A.08, subdivision 1, clause (3), or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(8) the regional administrator, or executive director of the Metropolitan Council, general counsel, division directors, operations managers, and other positions as designated by the council, all of which may not exceed 27 positions at the council and the chair;

(9) the executive director, associate executive director, and not to exceed nine positions of the Minnesota Office of Higher Education in the unclassified service, as designated by the Minnesota Office of Higher Education before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota State Retirement System, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(10) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota, the state court administrator and judicial district administrators;

(11) the chief executive officers of correctional facilities operated by the Department of Corrections and of hospitals and nursing homes operated by the Department of Human Services;

(12) an employee whose principal employment is at the state ceremonial house;

(13) an employee of the Minnesota Educational Computing Corporation;

(14) an employee of the State Lottery who is covered by the managerial plan established under section 43A.18, subdivision 3; and

(15) a judge who has exceeded the service credit limit in section 490.121, subdivision 22.

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

Sec. 7. Minnesota Statutes 2006, section 484.54, subdivision 2, is amended to read:

Subd. 2. **Expense payments.** A judge shall be paid travel and subsistence expenses for travel from the judge's place of residence to and from the judge's permanent chambers only for a period of two years ~~after July 1, 1977, or the date the judge initially assumes office, whichever is later~~ as provided by Judicial Council policy.

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

Sec. 8. Minnesota Statutes 2006, section 484.83, is amended to read:

**484.83 REINSTATEMENT OF FORFEITED SUMS.**

Subdivision 1. **Abandonment of fees.** All sums deposited with the court administrator to cover fees shall be deemed abandoned if the fees are not disbursed or the services covered by the fees are not performed and the person entitled to refund of the fees does not file a written demand for a refund with the court administrator within six months from the date of trial, dismissal, or striking of the cause as to jury fees and from the date of deposit as to other fees.

Subd. 2. **Bail forfeitures.** Any bail not forfeited by court order shall be deemed abandoned and forfeited if the person entitled to a refund does not file a written demand for a refund with the court administrator within six months from the date when the person became entitled to the refund.

Subd. 3. **Reinstated forfeited sums.** A district court judge may order any sums forfeited to be reinstated and the commissioner of finance shall then refund accordingly. The commissioner of finance shall reimburse the court administrator if the court administrator refunds the deposit upon a judge's order and obtains a receipt to be used as a voucher.

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

Sec. 9. Minnesota Statutes 2006, section 504B.361, subdivision 1, is amended to read:

Subdivision 1. **Summons and writ.** (a) The state court administrator shall develop a uniform form for the summons and writ of recovery of premises and order to vacate ~~may be substantially in the forms in paragraphs (b) and (c).~~

(b)

**FORM OF SUMMONS**

State of Minnesota        )  
  ) ss.  
County of.....)

Whereas, ....., of ....., has filed with the undersigned, a judge of county stated, a complaint against ....., of ....., a copy of which is attached: You are hereby summoned to appear before the undersigned on the ..... day of ....., year ....., at ..... o'clock ...m., at ....., to answer and defend against the complaint and to further be dealt with according to law.

Dated at ....., this ..... day of ....., year ....  
.....  
Judge..... of court.

(c)

**FORM OF WRIT OF RECOVERY OF PREMISES AND ORDER TO VACATE**

State of Minnesota        )  
  ) ss.  
County of.....)

The State of Minnesota, to the Sheriff of the County:

Whereas, ....., the plaintiff, of ....., in an eviction action, at a court held at ....., in the county of ....., on the ..... day of ....., year ....., before ....., a judge of the county, recovered a judgment against ....., the ....., to have recovery of the following premises (describe here the property as in the complaint): .....

~~Therefore, you are commanded that, taking with you the force of the county, if necessary, you cause ..... to be immediately removed from the premises, and the plaintiff to recover the premises. You are also commanded that from the personal property of ..... within the county that you seize and sell, the plaintiff be paid ..... dollars, as the costs assessed against the defendant, together with 25 cents for this writ. You are ordered to return this writ within 30 days.~~

~~Dated at ....., this ..... day of ....., year ....~~

~~.....  
Judge of..... court.~~

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

Sec. 10. Minnesota Statutes 2006, section 518.165, subdivision 1, is amended to read:

Subdivision 1. **Permissive appointment of guardian ad litem.** In all proceedings for child custody or for dissolution or legal separation where custody or parenting time with a minor child is in issue, the court may appoint a guardian ad litem from a panel established by the court to represent the interests of the child. The guardian ad litem shall advise the court with respect to custody, ~~support,~~ and parenting time.

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

Sec. 11. Minnesota Statutes 2006, section 518.165, subdivision 2, is amended to read:

Subd. 2. **Required appointment of guardian ad litem.** In all proceedings for child custody or for marriage dissolution or legal separation in which custody or parenting time with a minor child is an issue, if the court has reason to believe that the minor child is a victim of domestic child abuse or neglect, as those terms are defined in sections 260C.007 and 626.556, respectively, the court shall appoint a guardian ad litem. The guardian ad litem shall represent the interests of the child and advise the court with respect to custody, ~~support,~~ and parenting time. If the child is represented by a guardian ad litem in any other pending proceeding, the court may appoint that guardian to represent the child in the custody or parenting time proceeding. No guardian ad litem need be appointed if the alleged domestic child abuse or neglect is before the court on a juvenile dependency and neglect petition. Nothing in this subdivision requires the court to appoint a guardian ad litem in any proceeding for child custody, marriage dissolution, or legal separation in which an allegation of domestic child abuse or neglect has not been made.

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

Sec. 12. Minnesota Statutes 2006, section 518A.35, subdivision 3, is amended to read:

Subd. 3. **Income cap on determining basic support.** (a) The basic support obligation for parents with a combined parental income for determining child support in excess of the income limit currently in effect under subdivision 2 must be the same dollar amount as provided for the parties with a combined parental income for determining child support equal to the income in effect under subdivision 2.

(b) A court may order a basic support obligation in a child support order in an amount that exceeds the income limit in subdivision 2 if it finds that a child has a disability or other substantial, demonstrated need for the additional support for those reasons set forth in section 518A.43 and that the additional support will directly benefit the child.

~~(c) The dollar amount for the cap in subdivision 2 must be adjusted on July 1 of every even numbered year to reflect cost of living changes. The Supreme Court must select the index for the adjustment from the indices listed in section 518A.75, subdivision 1. The state court administrator must make the changes in the dollar amounts required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.~~

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

Sec. 13. Minnesota Statutes 2006, section 563.01, is amended by adding a subdivision to read:

Subd. 7a. **Copy costs.** The court administrator shall provide a person who is proceeding in forma pauperis with copies of the person's court file without charge.

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

Sec. 14. 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.

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

Sec. 15. Minnesota Statutes 2006, section 609.135, subdivision 8, is amended to read:

Subd. 8. **Fine and surcharge collection.** A defendant's obligation to pay court-ordered fines, surcharges, court costs, restitution, and fees shall survive for a period of six years from the date of the expiration of the defendant's stayed sentence for the offense for which the fines, surcharges, court costs, restitution, and fees were imposed, or six years from the imposition or due date of the fines, surcharges, court costs, restitution, and fees, whichever is later. Nothing in this subdivision extends the period of a defendant's stay of sentence imposition or execution.

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

Sec. 16. 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.

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

Sec. 17. 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.~~

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

Sec. 18. 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.

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

Sec. 19. 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.

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

Sec. 20. 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.

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

Sec. 21. 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.

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

Sec. 22. 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.~~

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

Sec. 23. 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.

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

Sec. 24. 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.

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

Sec. 25. 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.

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

Sec. 26. 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.

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

Sec. 27. 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).~~

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

Sec. 28. 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.

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

Sec. 29. Laws 2001, First Special Session chapter 8, article 4, section 4, is amended to read:

Sec. 4. **DISTRICT COURTS**

**\$118,470,000**

**\$128,842,000**

**Carlton County Extraordinary Expenses.** \$300,000 the first year is to reimburse Carlton county for extraordinary expenses related to homicide trials. This is a onetime appropriation.

**New Judge Units.** \$774,000 the first year and \$1,504,000 the second year are for an increase in judgeship units, including one trial court judge unit beginning October 1, 2001, in the tenth judicial district, one trial court judge unit beginning April 1, 2002, in the third judicial district, one trial court judge unit beginning July 1, 2002, in the tenth judicial district, one trial court judge unit beginning January 1, 2003, in the seventh judicial district, and one trial court judge unit beginning January 1, 2003, in the first judicial district. Each judge unit consists of a judge, law clerk, and court reporter.

**Alternative Dispute Resolution Programs.** A portion of this appropriation may be used for the alternative dispute resolution programs authorized by article 5, section 18.

**Supplemental Funding for Certain Mandated Costs.** \$4,533,000 the first year and \$6,032,000 the second year are to supplement funding for guardians ad litem, interpreters, rule 20 and civil commitment examinations, and in forma pauperis costs in the fifth, seventh, eighth, and ninth judicial districts.

**Trial Court Infrastructure Staff.** \$684,000 the first year and \$925,000 the second year are for infrastructure staff.

**Court Effectiveness Initiatives; Community Courts and Screener Collectors.** \$835,000 the first year and \$765,000 the second year are for court effectiveness initiatives. Of this amount, \$125,000 each year is for continued funding of the community court in the fourth judicial district and \$125,000 each year is for continued funding of the community court in the second judicial district. These are onetime appropriations.

The second judicial district and fourth judicial district shall each report quarterly to the chairs and ranking minority members of the legislative committees and divisions with jurisdiction over criminal justice funding on:

- (1) how money appropriated for this initiative was spent; and
- (2) the cooperation of other criminal justice agencies and county units of government in the community courts' efforts.

The first report is due on October 1, 2001. None of this appropriation may be used for the purpose of complying with these reporting requirements.

Of this amount, \$585,000 the first year and \$515,000 the second year are for screener collector programs.

~~The fifth, seventh, and ninth judicial district courts shall implement screener collector programs to enhance the collection of overdue fine revenue by at least ten percent in each location serviced by a screener collector. By August 15, 2002, and annually thereafter, the state court administrator shall report to the chairs and ranking minority members of the house of representatives and senate committees with jurisdiction over criminal justice policy and funding issues on the total amount of fines collected, the amount of overdue fines collected for the two preceding fiscal years, and the expenditures associated with the screener collector program.~~

**Ninth District County and Support Pilot Projects.** Up to \$99,000 each year may be used for the ninth judicial district to implement the pilot projects on the six-month review of child custody, parenting time, and support orders, and on the accounting for child support by obligees.

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

Sec. 30. Laws 2003, First Special Session chapter 2, article 1, section 2, is amended to read:

Sec. 2. <b>SUPREME COURT</b>	<b>\$38,806,000</b>	<b>\$36,439,000</b>
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~~**Report on Court Fees.** The state court administrator shall review and report back on the financial consequences of policy changes made in the following areas: (1) criminal and traffic offender surcharges; (2) public defender co-pays; and (3) the use of revenue recapture to collect the public defender co-pay. The report shall also list the local governmental units that employ administrative procedures to collect fines for ordinance violations. The state court administrator must submit the report to the chairs and ranking minority members on the committees that have jurisdiction over court funding by January 15 of each year.~~

\$5,000 each year is for a contingent account for expenses necessary for the normal operation of the court for which no other reimbursement is provided.

**Legal Services to Low-Income Clients in Family Law Matters.**

Of this appropriation, \$877,000 each year is to improve the access of low-income clients to legal representation in family law matters. This appropriation must be distributed under Minnesota Statutes, section 480.242, to the qualified legal services programs described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (a). Any unencumbered balance remaining in the first year does not cancel and is available in the second year.

Of this appropriation, \$355,000 in fiscal year 2005 is for the implementation of the Minnesota Child Support Act and is contingent upon its enactment. This is a onetime appropriation.

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

**Sec. 31. PUBLIC DEFENDER STUDY AND REPORT REQUIRED.**

The State Board of Public Defense and the Hennepin County Board of Commissioners shall jointly prepare a report to the legislature on the history of the funding of the public defender's office in the Fourth Judicial District provided by the state and Hennepin County. The report must compare the costs and services provided by the Fourth Judicial District Public Defender's Office to the costs and services provided by the state Board of Public Defense in all other public defender district offices. The report must detail the amount of funding provided by Hennepin County to the Fourth Judicial District Public Defender's Office and the amount necessary for the state to assume the full costs of the public defender duties in the Fourth Judicial District as in the other judicial districts throughout the state. The report must also recommend specific legislation that would provide for an appropriate resolution of the state and local funding of the Fourth Judicial District Public Defender's Office. The report must be completed by October 1, 2007, and be submitted to the commissioner of finance, the chairs and ranking minority members of the senate and house committees and divisions with jurisdiction over finance, judiciary, judiciary finance, and public safety finance, and the house Ways and Means Committee.

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

**Sec. 32. REPEALER.**

Minnesota Statutes 2006, sections 260B.173; 480.175, subdivision 3; 611.20, subdivision 5; and 626A.17, subdivision 3, are repealed.

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

## ARTICLE 5

## CORRECTIONS

Section 1. Minnesota Statutes 2006, section 241.018, is amended to read:

**241.018 PER DIEM CALCULATION.**

**Subdivision 1. State correctional facilities.** (a) The commissioner of corrections shall develop a uniform method to calculate the average department-wide per diem cost of incarcerating offenders at state adult correctional facilities. In addition to other costs currently factored into the per diem, it must include an appropriate percentage of capitol costs for all adult correctional facilities and 65 percent of the department's management services budget.

(b) The commissioner also shall use this method of calculating per diem costs for offenders in each state adult correctional facility. When calculating the per diem cost of incarcerating offenders at a particular facility, the commissioner shall include an appropriate percentage of capital costs for the facility and an appropriate prorated amount, given the facility's population, of 65 percent of the department's management services budget.

(c) The commissioner shall ensure that these new per diem methods are used in all future annual performance reports to the legislature and are also reflected in the department's biennial budget document.

**Subd. 2. Local correctional facilities.** (a) The commissioner of corrections shall develop a uniform method to calculate the average per diem cost of incarcerating offenders in county and regional jail facilities licensed by the commissioner under section 241.021, subdivision 1, paragraph (a).

(b) Each county and regional jail in the state must annually provide the commissioner with a per diem calculation based on the formula the commissioner promulgates pursuant to paragraph (a).

(c) The commissioner shall include the county and regional jail per diem data collected under paragraph (b) in the Department of Correction's annual performance report to the legislature mandated by section 241.016.

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

Sec. 2. Minnesota Statutes 2006, section 241.69, subdivision 3, is amended to read:

Subd. 3. **Transfer.** If the licensed mental health professional finds the person to be a person who is mentally ill and in need of short-term care, the ~~examining licensed mental~~ health care professional may recommend transfer by the commissioner of corrections to the mental health unit established pursuant to subdivision 1.

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

Sec. 3. Minnesota Statutes 2006, section 241.69, subdivision 4, is amended to read:

Subd. 4. **Commitment.** If the ~~examining licensed mental~~ health care professional or licensed mental health professional finds the person to be a person who is mentally ill and in need of long-term care in a hospital, or if an inmate transferred pursuant to subdivision 3 refuses to voluntarily participate in the treatment program at the mental health unit, the director of psychological services of the institution or the mental health professional shall initiate proceedings for judicial commitment as provided in section 253B.07. Upon the recommendation of the licensed mental health professional and upon completion of the hearing and consideration of the record, the court may commit the person to the mental health unit established in subdivision 1 or to another hospital. A person confined in a state correctional institution for adults who has been adjudicated to be a person who is mentally ill and in need of treatment may be committed to the commissioner of corrections and placed in the mental health unit established in subdivision 1.

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

Sec. 4. Minnesota Statutes 2006, section 383A.08, subdivision 6, is amended to read:

Subd. 6. **Rules and regulations.** The county may promulgate rules and regulations for the proper operation and maintenance of each facility and the proper care and discipline of inmates detained in the facility. These rules and regulations may, among other things, provide for the diminution of sentences of inmates for good behavior, ~~but in no event to exceed a total of five days for each 30 day sentence~~ in accordance with section 643.29.

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

Sec. 5. Minnesota Statutes 2006, section 383A.08, subdivision 7, is amended to read:

Subd. 7. **Confinement of inmates from other counties.** The county may accept an inmate for confinement at a county correction facility when the inmate is committed to the facility by order of a judge of a municipality or county outside Ramsey County if the county is paid the amount of compensation for board, confinement, and maintenance of the inmate that it determines. ~~No compensation of this kind may be in an amount less than the actual per diem cost per person confined.~~ A county outside Ramsey County or a municipality outside Ramsey County may enter into and agree with Ramsey County for the incarceration of prisoners.

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

Sec. 6. Minnesota Statutes 2006, section 641.265, subdivision 2, is amended to read:

Subd. 2. **Withdrawal.** A county board may withdraw from cooperation in a regional jail system ~~if the county boards of all of the other cooperating counties decide, by majority vote, to allow the withdrawal in accordance with the terms of a joint powers agreement.~~ With the approval of the county board of each cooperating county, the regional jail board shall fix the sum, if any, to be paid to the county withdrawing, to reimburse it for capital cost, debt service, or lease rental payments made by the county prior to withdrawal, in excess of its proportionate share of benefits from the regional jail prior to withdrawal, and the time and manner of making the payments. The payments shall be deemed additional payments of capital cost, debt service, or lease rentals to be made proportionately by the remaining counties and, when received, shall be deposited in and paid from the regional jail fund; provided that:

~~(a)~~ (1) payments shall not be made from any amounts in the regional jail fund which are needed for maintenance and operation expenses or lease rentals currently due and payable; and

~~(b)~~ (2) the withdrawing county shall remain obligated for the payment of its proportionate share of any lease rentals due and payable after its withdrawal, in the event and up to the amount of any lease payment not made when due by one or more of the other cooperating counties.

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

## ARTICLE 6

### PUBLIC SAFETY AND LAW ENFORCEMENT

Section 1. Minnesota Statutes 2006, section 13.87, subdivision 1, is amended to read:

Subdivision 1. **Criminal history data.** (a) **Definition.** For purposes of this subdivision, "criminal history data" means all data maintained in criminal history records compiled by the Bureau of Criminal Apprehension and disseminated through the criminal justice information system, including, but not limited to fingerprints, photographs, identification data, arrest data, prosecution data, criminal court data, custody and supervision data.

(b) **Classification.** Criminal history data maintained by agencies, political subdivisions and statewide systems are classified as private, pursuant to section 13.02, subdivision 12, except that data created, collected, or maintained by the Bureau of Criminal Apprehension that identify an individual who was convicted of a crime, the offense of which the individual was convicted, associated court disposition and sentence information, controlling agency, and confinement information are public data for 15 years following the discharge of the sentence imposed for the offense. When an innocent party's name is associated with a criminal history, and a determination has been made through a fingerprint verification that the innocent party is not the subject of the criminal history, the name may be redacted from the public criminal history data. The name shall be retained in the criminal history and classified as private data.

The Bureau of Criminal Apprehension shall provide to the public at the central office of the bureau the ability to inspect in person, at no charge, through a computer monitor the criminal conviction data classified as public under this subdivision.

(c) **Limitation.** Nothing in paragraph (a) or (b) shall limit public access to data made public by section 13.82.

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

Sec. 2. Minnesota Statutes 2006, section 243.167, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "crime against the person" means a violation of any of the following or a similar law of another state or of the United States: section 609.165; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.224, subdivision 2 or 4; 609.2242, subdivision 2 or 4; 609.2247; 609.235; 609.245, subdivision 1; 609.25; 609.255; 609.3451, subdivision 2; 609.498, subdivision 1; 609.582, subdivision 1; or 617.23, subdivision 2; or any felony-level violation of section 609.229; 609.377; 609.749; or 624.713.

**EFFECTIVE DATE.** This section is effective the day following final enactment, and applies retroactively to crimes committed on or after August 1, 2005.

Sec. 3. Minnesota Statutes 2006, section 244.05, is amended by adding a subdivision to read:

Subd. 2a. **Random searches.** (a) This subdivision applies to inmates who were convicted of and imprisoned for a violent crime, as defined in section 609.1095, involving the sale, use, or possession of a controlled substance or a dangerous weapon.

(b) When an inmate is released on supervised release or parole, the inmate, as a condition of release, consents to a search of the inmate's person and any motor vehicle driven by the inmate. The search may be conducted on demand by any parole or supervised release agent or peace officer.

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

Sec. 4. Minnesota Statutes 2006, section 299A.641, subdivision 2, is amended to read:

Subd. 2. **Membership.** The oversight council shall consist of the following individuals or their designees:

- (1) the director of the office of special investigations as the representative of the commissioner of corrections;
- (2) the superintendent of the Bureau of Criminal Apprehension as the representative of the commissioner of public safety;
- (3) the attorney general;
- (4) eight chiefs of police, selected by the Minnesota Chiefs of Police Association, two of which must be selected from cities with populations greater than 200,000;
- (5) eight sheriffs, selected by the Minnesota Sheriffs Association to represent each district, two of which must be selected from counties with populations greater than 500,000;
- (6) the United States attorney for the district of Minnesota;

- (7) two county attorneys, selected by the Minnesota County Attorneys Association;
- (8) a command-level representative of a gang strike force;
- (9) a representative from a drug task force, selected by the Minnesota State Association of Narcotics Investigators;
- (10) a representative from the United States Drug Enforcement Administration;
- (11) a representative from the United States Bureau of Alcohol, Tobacco, and Firearms;
- (12) a representative from the Federal Bureau of Investigation;
- (13) a tribal peace officer, selected by the Minnesota Tribal Law Enforcement Association; ~~and~~
- (14) two additional members who may be selected by the oversight council;
- (15) a senator who serves on the committee having jurisdiction over criminal justice policy, chosen by the Subcommittee on Committees of the senate Committee on Rules and Administration; and
- (16) a representative who serves on the committee having jurisdiction over criminal justice policy, chosen by the speaker of the house of representatives.

The oversight council may adopt procedures to govern its conduct as necessary and may select a chair from among its members. The legislative members of the council may not vote on matters before the council.

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

Sec. 5. Minnesota Statutes 2006, section 299C.65, subdivision 2, is amended to read:

Subd. 2. **Task force.** ~~(a) The policy group shall appoint~~ A task force ~~to shall~~ assist ~~them~~ the policy group in ~~their~~ its duties. The task force shall monitor, review, and report to the policy group on CriMNet-related projects and provide oversight to ongoing operations as directed by the policy group. The task force shall consist of the following members:

- (1) two ~~sheriffs recommended~~ members appointed by the Minnesota Sheriffs Association, at least one of whom must be a sheriff;
- (2) two ~~police chiefs recommended~~ members appointed by the Minnesota Chiefs of Police Association, at least one of whom must be a chief of police;
- (3) two ~~county attorneys recommended~~ members appointed by the Minnesota County Attorneys Association, at least one of whom must be a county attorney;
- (4) two ~~city attorneys recommended~~ members appointed by the Minnesota League of Cities representing the interests of city attorneys, at least one of whom must be a city attorney;
- (5) two ~~public defenders~~ members appointed by the Board of Public Defense, at least one of whom must be a public defender;

(6) two district judges appointed by the Judicial Council, ~~one of whom is currently assigned to the juvenile court~~ at least one of whom has experience dealing with juvenile court matters;

(7) two ~~community~~ corrections administrators ~~recommended~~ appointed by the Minnesota Association of Counties, representing the interests of local corrections, at least one of whom represents a community corrections act county;

(8) two probation officers appointed by the commissioner of corrections in consultation with the president of the Minnesota Association of Community Corrections Act Counties and the president of the Minnesota Association of County Probation Officers;

(9) four public members appointed by the governor for a term of six years, one of whom ~~has been a victim of crime~~ represents the interests of victims, and two ~~who~~ of whom are representatives of the private business community who have expertise in integrated information systems and who for the purpose of meetings of the full task force may be compensated pursuant to section 15.059;

(10) two ~~court administrators~~ members appointed by the Minnesota Association for Court Management, at least one of whom must be a court administrator;

(11) one member of the house of representatives appointed by the speaker of the house;

(12) one member of the senate appointed by the majority leader;

(13) one member appointed by the attorney general or a designee;

(14) two ~~individuals recommended~~ elected officials appointed by the Minnesota League of Cities, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area;

(15) two ~~individuals recommended~~ elected officials appointed by the Minnesota Association of Counties, one of whom works or resides in greater Minnesota and one of whom works or resides in the seven-county metropolitan area;

(16) the director of the Sentencing Guidelines Commission or a designee;

(17) one member appointed by the state chief information officer;

(18) one member appointed by the commissioner of public safety;

(19) one member appointed by the commissioner of corrections;

(20) one member appointed by the commissioner of administration; and

(21) one member appointed by the chief justice of the Supreme Court.

~~(b) In making these appointments, the appointing authority shall select members with expertise in integrated data systems or best practices.~~

~~(c) The commissioner of public safety may appoint additional, nonvoting members to the task force as necessary from time to time.~~

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

Sec. 6. Minnesota Statutes 2006, section 299C.65, subdivision 5, is amended to read:

Subd. 5. **Review of funding and grant requests.** (a) The Criminal and Juvenile Justice Information Policy Group shall review the funding requests for criminal justice information systems from state, county, and municipal government agencies. The policy group shall review the requests for compatibility to statewide criminal justice information system standards. The review shall be forwarded to the chairs and ranking minority members of the house and senate committees and divisions with jurisdiction over criminal justice funding and policy.

(b) The CriMNet program office, in consultation with the Criminal and Juvenile Justice Information Task Force and with the approval of the policy group, shall create the requirements for any grant request and determine the integration priorities for the grant period. The CriMNet program office shall also review the requests submitted for compatibility to statewide criminal justice information systems standards.

(c) The task force shall review funding requests for criminal justice information systems grants and make recommendations to the policy group. The policy group shall review the recommendations of the task force and shall make a final recommendation for criminal justice information systems grants to be made by the commissioner of public safety. Within the limits of available state appropriations and federal grants, the commissioner of public safety shall make grants for projects that have been recommended by the policy group.

(d) The policy group may approve grants only if the applicant provides an appropriate share of matching funds as determined by the policy group to help pay up to one-half of the costs of the grant request. The matching requirement must be constant for all ~~counties~~ applicants within each grant offering. The policy group shall adopt policies concerning the use of in-kind resources to satisfy the match requirement and the sources from which matching funds may be obtained. Local operational or technology staffing costs may be considered as meeting this match requirement. Each grant recipient shall certify to the policy group that it has not reduced funds from local, county, federal, or other sources which, in the absence of the grant, would have been made available to the grant recipient to improve or integrate criminal justice technology.

(e) All grant recipients shall submit to the CriMNet program office all requested documentation including grant status, financial reports, and a final report evaluating how the grant funds improved the agency's criminal justice integration priorities. The CriMNet program office shall establish the recipient's reporting dates at the time funds are awarded.

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

Sec. 7. Minnesota Statutes 2006, section 609.135, is amended by adding a subdivision to read:

Subd. 9. **Random searches.** (a) This subdivision applies to offenders who are convicted of a violent crime, as defined in section 609.1095, involving the sale, use, or possession of a controlled substance or a dangerous weapon.

(b) When an offender is placed on probation, the offender, as a condition of being released on probation, consents to a search of the offender's person and any motor vehicle driven by the offender. The search may be conducted on demand by any probation officer or peace officer.

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

Sec. 8. Minnesota Statutes 2006, section 641.05, is amended to read:

**641.05 RECORD OF INMATES; RETURN TO COURT.**

(a) Every sheriff shall, at the expense of the county, maintain a permanent record of all persons committed to any jail under the sheriff's charge. It shall contain the name of every person committed, by what authority, residence, date of commitment, and, if for a criminal offense, a description of the person, when and by what authority liberated, and, in case of escape, the time and manner thereof. At the opening of each term of district court the sheriff shall make a certified transcript therefrom to such court, showing all cases therein not previously disposed of.

(b) Upon intake into the jail facility, the name of the committed person shall be checked against the Bureau of Criminal Apprehension predatory offender registration database to determine whether the person is a registered offender. In the event that the person is registered, the sheriff or designee shall notify the bureau of the person's admission into the jail facility. At the time of discharge from the facility, the sheriff or designee will provide the person with a change of information form for the purposes of reporting the address where the person will be living upon release from the facility. Every sheriff who intentionally neglects or refuses to so report shall be guilty of a gross misdemeanor.

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

ARTICLE 7

EMERGENCY COMMUNICATIONS

Section 1. Minnesota Statutes 2006, section 403.07, subdivision 4, is amended to read:

Subd. 4. **Use of furnished information.** (a) Names, addresses, and telephone numbers provided to a 911 system under subdivision 3 are private data and may be used only ~~for identifying:~~ (1) to identify the location or identity, or both, of a person calling a 911 public safety answering point; or (2) by a public safety answering point to notify the public of an emergency. The information furnished under subdivision 3 may not be used or disclosed by 911 system agencies, their agents, or their employees for any other purpose except under a court order.

(b) For purposes of paragraph (a), the term "emergency" means a situation in which property or human life is in jeopardy and the prompt notification of the public by the public safety answering point is essential.

(c) A telecommunications service provider that participates or cooperates with the public safety answering point in the notification of the public is exempt from liability pursuant to section 403.07, subdivision 5.

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

Sec. 2. Minnesota Statutes 2006, section 403.11, is amended by adding a subdivision to read:

Subd. 1a. **Fee collection declaration.** If the commissioner disputes the accuracy of a fee submission or if no fees are submitted by a wireless, wire-line, or packet-based telecommunications service provider, the wireless, wire-line, or packet-based telecommunications service provider shall submit a sworn declaration signed by an officer of the company certifying, under penalty of perjury, that the information provided with the fee submission is true and correct. The sworn declaration must specifically describe and affirm that the 911 fee computation is complete and accurate. When a wireless, wire-line, or packet-based telecommunications service provider fails to provide a sworn declaration within 90 days of notice by the commissioner that the fee submission is disputed, the commissioner may estimate the amount due from the wireless, wire-line, or packet-based telecommunications service provider and refer that amount for collection under section 16D.04.

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

Sec. 3. Minnesota Statutes 2006, section 403.11, is amended by adding a subdivision to read:

Subd. 1b. **Fee audit.** If the commissioner determines that an audit is necessary to document the fee submission and sworn declaration in subdivision 1a, the wireless, wire-line, or packet-based telecommunications service provider must contract with an independent certified public accountant to conduct an audit. The audit must be conducted in accordance with generally accepted auditing standards.

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

Delete the title and insert:

"A bill for an act relating to state government; providing certain general criminal and sentencing provisions; regulating DWI and driving provisions; modifying certain crime victim provisions; modifying or establishing various provisions relating to public safety; regulating corrections, the courts, public defense, and emergency communications; providing penalties; amending Minnesota Statutes 2006, sections 3.732, subdivision 1; 3.736, subdivision 1; 13.87, subdivision 1; 15A.083, subdivision 4; 169A.275, by adding a subdivision; 169A.51, subdivision 7; 171.12, by adding a subdivision; 171.55; 241.018; 241.69, subdivisions 3, 4; 243.167, subdivision 1; 244.05, by adding a subdivision; 260C.193, subdivision 6; 270A.03, subdivision 5; 299A.641, subdivision 2; 299C.65, subdivisions 2, 5; 352D.02, subdivision 1; 383A.08, subdivisions 6, 7; 403.07, subdivision 4; 403.11, by adding subdivisions; 484.54, subdivision 2; 484.83; 504B.361, subdivision 1; 518.165, subdivisions 1, 2; 518A.35, subdivision 3; 518B.01, subdivisions 6a, 22; 563.01, by adding a subdivision; 590.05; 595.02, subdivision 1; 609.02, subdivision 16; 609.135, subdivision 8, by adding a subdivision; 609.21, subdivisions 1, 4a, 5, by adding subdivisions; 609.341, subdivision 11; 609.344, subdivision 1; 609.345, subdivision 1; 609.3451, subdivision 3; 609.3455, subdivision 4, by adding a subdivision; 609.505, subdivision 2; 609.748, subdivisions 1, 5; 611.14; 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; 611A.036, subdivisions 2, 7; 634.15, subdivisions 1, 2; 641.05; 641.265, subdivision 2; Laws 2001, First Special Session chapter 8, article 4, section 4; Laws 2003, First Special Session chapter 2, article 1, section 2; proposing coding for new law in Minnesota Statutes, chapters 171; 504B; 609; 611A; repealing Minnesota Statutes 2006, sections 169.796, subdivision 3; 260B.173; 480.175, subdivision 3; 609.21, subdivisions 2, 2a, 2b, 3, 4; 609.805; 611.20, subdivision 5; 626A.17, subdivision 3; Laws 2005, First Special Session chapter 6, article 3, section 91."

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. 594, A bill for an act relating to human services; modifying competitive bidding for medical assistance nonemergency medical transportation; specifying criteria for level of need determinations for nonemergency medical transportation; modifying criteria and increasing reimbursement for medical assistance special transportation services; amending Minnesota Statutes 2006, sections 256B.04, subdivision 14, by adding a subdivision; 256B.0625, subdivision 17.

Reported the same back with the following amendments:

Page 2, line 13, after "physician," insert "a licensed practical nurse."

Page 2, line 18, delete "skilled" and insert "licensed"

Page 2, line 20, delete "skilled care" and insert "licensed"

Page 2, line 32, delete "skilled" and insert "licensed"

Page 3, after line 20, insert:

"Sec. 4. **REPORT.**

The commissioner shall present a plan to the legislature by January 15, 2008, regarding the need for and recommended mechanisms for supplementing rates in counties with population density lower than 75 percent of the median population density for counties in the state."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring reports;"

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. 635, A bill for an act relating to telecommunications; enacting the Minnesota Wireless Telephone Consumer Protection Act; changing certain existing requirements; proposing coding for new law in Minnesota Statutes, chapter 325F; repealing Minnesota Statutes 2006, section 325F.695.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 677, A bill for an act relating to economic development; extending the time period for JOBZ treatment for biodiesel fuel plants; amending Minnesota Statutes 2006, section 469.312, subdivision 5.

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

The report was adopted.

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

H. F. No. 754, A bill for an act relating to occupations; changing provisions for certain plumber's licenses; adding a restricted plumber's license; amending Minnesota Statutes 2006, sections 325E.37, subdivision 6; 326.38; 326.40, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 326; repealing Minnesota Statutes 2006, section 326.45.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 766, A bill for an act relating to motor fuels; modifying motor fuel specifications, standards, and requirements; amending Minnesota Statutes 2006, sections 239.051, subdivision 15; 239.761, subdivisions 3, 4, 6, by adding subdivisions; 239.7911, subdivision 2; 296A.01, subdivisions 2, 23, 24, 25.

Reported the same back with the following amendments:

Page 3, line 4, delete "must" and insert "may"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 794, A bill for an act relating to human services; modifying medical assistance coverage to include consultations with psychologists; increasing the medical assistance reimbursement rate for critical access mental health services; amending Minnesota Statutes 2006, sections 256B.0625, subdivision 48; 256B.763.

Reported the same back with the recommendation that 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. 913, A bill for an act relating to human services; waiving the moratorium regarding beds and expending group residential housing supplemental rates; appropriating money; amending Minnesota Statutes 2006, section 256I.05, by adding a subdivision.

Reported the same back with the recommendation that 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. 931, A bill for an act relating to mortgages; prohibiting certain predatory lending practices; prescribing criminal penalties; providing remedies; amending Minnesota Statutes 2006, sections 58.02, by adding subdivisions; 58.13, subdivision 1; 58.137, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 58; 82B.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 934, A bill for an act relating to the environment; restricting the manufacture and sale of certain polybrominated diphenyl ethers; requiring a report; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, delete lines 13 to 15

Page 1, delete subdivisions 4 and 5

Page 2, line 4, delete everything after the period

Page 2, delete lines 5 to 8

Page 2, line 17, delete everything after the period

Page 2, delete lines 18 to 25

Page 2, line 31, delete "octadiphenyl" and insert "octabromodiphenyl"

Page 2, line 34, delete "pentadiphenyl" and insert "pentabromodiphenyl" and delete "octadiphenyl" and insert "octabromodiphenyl"

Page 3, delete subdivision 2

Page 3, line 10, delete "subdivisions" and insert "subdivision" and delete "and 2"

Page 3, line 27, delete "subdivisions" and insert "subdivision" and delete "and 2"

Page 3, delete subdivision 1 and insert:

"Subdivision 1. **Commissioner duties.** The commissioner in consultation with the commissioners of health and public safety shall review uses of commercial decabromodiphenyl ether, availability of technically feasible and safer alternatives, fire safety and any evidence regarding the potential harm to public health and the environment posed by commercial decabromodiphenyl ether and the alternatives. The commissioner must consult with key stakeholders. The commissioner must also review the findings from similar state and federal agencies and must report their findings and recommendations to the appropriate committees of the legislature no later than January 15, 2008."

Page 4, delete subdivision 2

Page 4, line 16, delete "3, or section 325E.388," and insert "2."

Page 4, delete line 17

Page 4, line 18, delete "EXEMPTIONS; FEES;"

Page 4, delete subdivision 1

Page 5, delete subdivisions 2 and 3

Page 5, line 31, delete "Subd. 4. Penalties."

Renumber the subdivisions in sequence and correct the internal references

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. 985, A bill for an act relating to education; extending rulemaking authority of the Board of School Administrators; amending Laws 2005, First Special Session chapter 5, article 2, section 81, as amended.

Reported the same back with the following amendments:

Page 1, after line 15, insert:

"Sec. 2. **EXPERIENCE REQUIREMENTS.**

Any rules adopted by the board of school administrators governing superintendent or principal licensure must require that a person applying for a principal or superintendent license has at least three years of successful teaching experience gained while holding a classroom teaching license valid for the positions in which the applicant taught.

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

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. 999, A bill for an act relating to child support; requiring consideration of a child's residence in a foreign country when deviating from the presumptive child support amount; amending Minnesota Statutes 2006, section 518A.43, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 518A.39, subdivision 2, is amended to read:

Subd. 2. **Modification.** (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following, any of which makes the terms unreasonable and unfair: (1) substantially increased or decreased gross income of an obligor or obligee; (2) substantially increased or decreased need of an obligor or obligee or the child or children that are the subject of these proceedings; (3) receipt of assistance under the AFDC program formerly codified under sections 256.72 to 256.87 or 256B.01 to 256B.40, or chapter 256J or 256K; (4) a change in the cost of living for either party as measured by the Federal Bureau of Labor Statistics; (5) extraordinary medical expenses of the child not provided for under section 518A.41; (6) the addition of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses; or (7) upon the emancipation of the child, as provided in subdivision 5.

(b) It is presumed that there has been a substantial change in circumstances under paragraph (a) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if:

(1) the application of the child support guidelines in section 518A.35, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least \$75 per month higher or lower than the current support order or, if the current support order is less than \$75, it results in a calculated court order that is at least 20 percent per month higher or lower;

(2) the medical support provisions of the order established under section 518A.41 are not enforceable by the public authority or the obligee;

(3) health coverage ordered under section 518A.41 is not available to the child for whom the order is established by the parent ordered to provide;

(4) the existing support obligation is in the form of a statement of percentage and not a specific dollar amount; ~~or~~

(5) the gross income of an obligor or obligee has decreased by at least 20 percent through no fault or choice of the party; or

(6) a deviation was granted under section 518A.43, subdivision 1, clause (4), and the child can no longer maintain a comparable standard of living with the lower child support amount because the child no longer resides in a foreign country.

(c) A child support order is not presumptively modifiable solely because an obligor or obligee becomes responsible for the support of an additional nonjoint child, which is born after an existing order. Section 518A.33 shall be considered if other grounds are alleged which allow a modification of support.

(d) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518A.35, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(e) A modification of support or maintenance, including interest that accrued pursuant to section 548.091, may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record.

(f) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518A.71.

(g) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(h) Sections 518.14 and 518A.735 shall govern the award of attorney fees for motions brought under this subdivision.

(i) Except as expressly provided, an enactment, amendment, or repeal of law does not constitute a substantial change in the circumstances for purposes of modifying a child support order.

(j) There may be no modification of an existing child support order during the first year following January 1, 2007, except as follows:

(1) there is at least a 20 percent change in the gross income of the obligor;

(2) there is a change in the number of joint children for whom the obligor is legally responsible and actually supporting;

(3) a parent or another caregiver of the child who is supported by the existing support order begins to receive public assistance, as defined in section 256.741;

(4) there are additional work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses;

(5) there is a change in the availability of health care coverage, as defined in section 518A.41, subdivision 1, paragraph (a), or a substantial increase or decrease in the cost of existing health care coverage;

(6) the child supported by the existing child support order becomes disabled; or

(7) both parents consent to modification of the existing order under section 518A.34.

A modification under clause (4) may be granted only with respect to child care support. A modification under clause (5) may be granted only with respect to medical support. This paragraph expires January 1, 2008.

(k) On the first modification under the income shares method of calculation, the modification of basic support may be limited if the amount of the full variance would create hardship for either the obligor or the obligee."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3 and insert "providing for support for a child who resides or has resided in a foreign country;"

Correct the title numbers accordingly

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. 1004, A bill for an act relating to mortgages; prohibiting predatory lending practices; amending Minnesota Statutes 2006, sections 58.02, by adding subdivisions; 58.13, subdivision 1; 58.137, subdivision 1; 58.15; 58.16, subdivision 1, 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 58.02, is amended by adding a subdivision to read:

Subd. 30. **Fully indexed rate.** "Fully indexed rate" equals the index rate prevailing at the time a residential mortgage loan is originated, plus the margin that will apply after the expiration of an introductory interest rate.

Sec. 2. Minnesota Statutes 2006, section 58.13, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) No person acting as a residential mortgage originator or servicer, including a person required to be licensed under this chapter, and no person exempt from the licensing requirements of this chapter under section 58.04, except as otherwise provided in paragraph (b), shall:

- (1) fail to maintain a trust account to hold trust funds received in connection with a residential mortgage loan;
- (2) fail to deposit all trust funds into a trust account within three business days of receipt; commingle trust funds with funds belonging to the licensee or exempt person; or use trust account funds for any purpose other than that for which they are received;
- (3) unreasonably delay the processing of a residential mortgage loan application, or the closing of a residential mortgage loan. For purposes of this clause, evidence of unreasonable delay includes but is not limited to those factors identified in section 47.206, subdivision 7, clause (d);
- (4) fail to disburse funds according to its contractual or statutory obligations;
- (5) fail to perform in conformance with its written agreements with borrowers, investors, other licensees, or exempt persons;

(6) charge a fee for a product or service where the product or service is not actually provided, or misrepresent the amount charged by or paid to a third party for a product or service;

(7) fail to comply with sections 345.31 to 345.60, the Minnesota unclaimed property law;

(8) violate any provision of any other applicable state or federal law regulating residential mortgage loans including, without limitation, sections 47.20 to 47.208;

(9) make or cause to be made, directly or indirectly, any false, deceptive, or misleading statement or representation in connection with a residential loan transaction including, without limitation, a false, deceptive, or misleading statement or representation regarding the borrower's ability to qualify for any mortgage product;

(10) conduct residential mortgage loan business under any name other than that under which the license or certificate of exemption was issued;

(11) compensate, whether directly or indirectly, coerce or intimidate an appraiser for the purpose of influencing the independent judgment of the appraiser with respect to the value of real estate that is to be covered by a residential mortgage or is being offered as security according to an application for a residential mortgage loan;

(12) issue any document indicating conditional qualification or conditional approval for a residential mortgage loan, unless the document also clearly indicates that final qualification or approval is not guaranteed, and may be subject to additional review;

(13) make or assist in making any residential mortgage loan with the intent that the loan will not be repaid and that the residential mortgage originator will obtain title to the property through foreclosure;

(14) provide or offer to provide for a borrower, any brokering or lending services under an arrangement with a person other than a licensee or exempt person, provided that a person may rely upon a written representation by the residential mortgage originator that it is in compliance with the licensing requirements of this chapter;

(15) claim to represent a licensee or exempt person, unless the person is an employee of the licensee or exempt person or unless the person has entered into a written agency agreement with the licensee or exempt person;

(16) fail to comply with the record keeping and notification requirements identified in section 58.14 or fail to abide by the affirmations made on the application for licensure;

(17) represent that the licensee or exempt person is acting as the borrower's agent after providing the nonagency disclosure required by section 58.15, unless the disclosure is retracted and the licensee or exempt person complies with all of the requirements of section 58.16;

(18) make, provide, or arrange for a residential mortgage loan that is of a lower investment grade if the borrower's credit score or, if the originator does not utilize credit scoring or if a credit score is unavailable, then comparable underwriting data, indicates that the borrower may qualify for a residential mortgage loan, available from or through the originator, that is of a higher investment grade, unless the borrower is informed that the borrower may qualify for a higher investment grade loan with a lower interest rate and/or lower discount points, and consents in writing to receipt of the lower investment grade loan;

For purposes of this section, "investment grade" refers to a system of categorizing residential mortgage loans in which the loans are: (i) commonly referred to as "prime" or "subprime"; (ii) commonly designated by an alphabetical character with "A" being the highest investment grade; and (iii) are distinguished by interest rate or discount points or both charged to the borrower, which vary according to the degree of perceived risk of default based on factors such as the borrower's credit, including credit score and credit patterns, income and employment history, debt ratio, loan-to-value ratio, and prior bankruptcy or foreclosure;

(19) make, publish, disseminate, circulate, place before the public, or cause to be made, directly or indirectly, any advertisement or marketing materials of any type, or any statement or representation relating to the business of residential mortgage loans that is false, deceptive, or misleading;

(20) advertise loan types or terms that are not available from or through the licensee or exempt person on the date advertised, or on the date specified in the advertisement. For purposes of this clause, advertisement includes, but is not limited to, a list of sample mortgage terms, including interest rates, discount points, and closing costs provided by licensees or exempt persons to a print or electronic medium that presents the information to the public;

(21) use or employ phrases, pictures, return addresses, geographic designations, or other means that create the impression, directly or indirectly, that a licensee or other person is a governmental agency, or is associated with, sponsored by, or in any manner connected to, related to, or endorsed by a governmental agency, if that is not the case; ~~or~~

(22) violate section 82.49, relating to table funding;

(23) make, provide, or arrange for a residential mortgage loan without verifying the borrower's reasonable ability to pay the scheduled payments of the following, as applicable: principal; interest; real estate taxes; homeowner's insurance, assessments, and mortgage insurance premiums. For loans in which the interest rate may vary, the reasonable ability to pay shall be determined based on a fully indexed rate and a repayment schedule which achieves full amortization over the life of the loan. For all residential mortgage loans, the borrower's income and financial resources must be verified by tax returns, payroll receipts, bank records, or other similarly reliable documents.

Nothing in this section shall be construed to limit a mortgage originator's or exempt person's ability to rely on criteria other than the borrower's income and financial resources to establish the borrower's reasonable ability to repay the residential mortgage loan; however, such other criteria must be verified through reasonably reliable methods and documentation. A statement by the borrower to the residential mortgage originator or exempt person of the borrower's income and resources is not sufficient to establish the existence of the income or resources when verifying the reasonable ability to pay.

(24) engage in "churning." As used in this section, "churning" means knowingly or intentionally making, providing, or arranging for a residential mortgage loan when the new residential mortgage loan does not provide a reasonable, tangible net benefit to the borrower considering all of the circumstances including the terms of both the new and refinanced loans, the cost of the new loan, and the borrower's circumstances;

(25) the first time a residential mortgage originator orally informs a borrower of the anticipated or actual periodic payment amount for a first-lien residential mortgage loan which does not include an amount for payment of property taxes and hazard insurance, the residential mortgage originator must inform the borrower that an additional amount will be due for taxes and insurance and, if known, disclose to the borrower the amount of the anticipated or actual periodic payments for property taxes and hazard insurance. This same oral disclosure must be made each time the residential mortgage originator orally informs the borrower of a different anticipated or actual periodic payment amount change from the amount previously disclosed. A residential mortgage originator need not make this disclosure concerning a refinancing loan if the residential mortgage originator knows that the borrower's existing loan that is anticipated to be refinanced does not have an escrow account; or

(26) make, provide, or arrange for a residential mortgage loan, other than a reverse mortgage pursuant to United States Code, title 15, chapter 41, if the borrower's compliance with any repayment option offered pursuant to the terms of the loan will result in negative amortization during any six-month period.

(b) Paragraph (a), clauses (23) through (26), do not apply to a state or federally chartered bank, savings bank, or credit union, or to a person making, providing, or arranging a residential mortgage loan originated or purchased by a state agency or a tribal or local unit of government. This paragraph supersedes any inconsistent provision of this chapter.

Sec. 3. Minnesota Statutes 2006, section 58.137, subdivision 1, is amended to read:

Subdivision 1. **Financed interest, points, finance charges, fees, and other charges.** A residential mortgage originator making or modifying a residential mortgage loan to a borrower located in this state must not include in the principal amount of any residential mortgage loan all or any portion of any lender fee in an aggregate amount exceeding five percent of the loan amount. This subdivision shall not apply to residential mortgage loans which are insured or guaranteed by the secretary of housing and urban development or the administrator of veterans affairs or the administrator of the Farmers Home Administration or any successor.

"Lender fee" means interest, points, finance charges, fees, and other charges payable in connection with the residential mortgage loan: (1) by the borrower to any residential mortgage originator or to any assignee of any residential mortgage originator; or (2) by the lender to a mortgage broker. Lender fee does not include: (1) recording fees, mortgage registration taxes, passthroughs, or other amounts that are paid by any person to any government entity, or filing office; ~~or other third party that is not a residential mortgage originator or an assignee of a residential mortgage originator.~~ Lender fee also does not include (2) any amount that is set aside to pay taxes or insurance on any property securing the residential mortgage loan.

"Loan amount" means: (1) for a line of credit, the maximum principal amount of the line of credit; and (2) for any other residential mortgage loan, the principal amount of the residential mortgage loan excluding all interest, points, finance charges, fees, and other charges. A residential mortgage originator shall not charge, receive, or collect any excess financed interest, points, finance charges, fees, or other charges described in this subdivision, or any interest, points, finance charges, fees, or other charges with respect to this excess.

Sec. 4. Minnesota Statutes 2006, section 58.15, is amended to read:

#### **58.15 DISCLOSURE REQUIREMENTS FOR CERTAIN RESIDENTIAL MORTGAGE ORIGINATORS.**

Subdivision 1. **Nonagency disclosure.** If a residential mortgage originator or exempt person other than a mortgage broker does not contract or offer to contract to act as an agent of a borrower, or accept an advance fee, it must, within three business days of accepting an application for a residential mortgage loan, provide the borrower with a written disclosure as provided in subdivision 2.

Subd. 2. **Form and content requirements.** The disclosure must be a separate document, 8-1/2 inches by 11 inches, must be signed by the borrower and must contain the following statement in 14-point boldface print:

**Originator IS NOT ACTING AS YOUR AGENT IN CONNECTION WITH OBTAINING A RESIDENTIAL MORTGAGE LOAN. WHILE WE SEEK TO ASSIST YOU IN MEETING YOUR FINANCIAL NEEDS, WE CANNOT GUARANTEE THE LOWEST OR BEST TERMS AVAILABLE IN THE MARKET.**

Subd. 3. **Electronic application disclosure requirement.** In case of an electronic residential mortgage application, the disclosure requirements of this section may be satisfied by providing the disclosure statement as a separate screen if the disclosure must be acknowledged by the borrower before an application is accepted.

Subd. 4. **Exemption from disclosure requirement.** If the Department of Housing and Urban Development adopts and implements a disclosure requirement ~~for persons offering mortgage origination services~~ that the commissioner determines to be substantially similar to the disclosure required in subdivision 2, ~~licensees and exempt persons complying~~ compliance with the HUD disclosure shall be considered sufficient to ~~have complied with~~ satisfy the requirements of ~~subdivisions 1 and subdivision~~ subdivision 2.

Sec. 5. Minnesota Statutes 2006, section 58.16, subdivision 1, is amended to read:

Subdivision 1. **Compliance.** Residential mortgage originators who solicit or receive an advance fee in exchange for assisting a borrower located in this state in obtaining a loan secured by a lien on residential real estate, or who offer to act as an agent of the borrower located in this state in obtaining a loan secured by a lien on residential real estate shall be considered to have created a fiduciary relationship with the borrower and shall comply with the requirements of subdivisions 2 to 7. This section does not apply to mortgage brokers who do not solicit or receive an advance fee.

Sec. 6. **[58.161] MORTGAGE BROKER DUTIES OF AGENCY.**

Subdivision 1. **Generally.** A mortgage broker shall be considered to have created an agency relationship with the borrower in all cases and shall comply with the following duties:

(1) mortgage brokers shall act in the borrower's best interest and in the utmost good faith toward borrowers, and shall not compromise a borrower's right or interest in favor of another's right or interest, including a right or interest of the mortgage broker. A mortgage broker shall not accept, give, or charge any undisclosed compensation or realize any undisclosed remuneration, either through direct or indirect means that inures to the benefit of the mortgage broker or as an expenditure made for the borrower;

(2) mortgage brokers will carry out all lawful instructions given by borrowers;

(3) mortgage brokers will disclose to borrowers all material facts of which the mortgage broker has knowledge which might reasonably affect the borrower's rights, interests, and/or ability to receive the borrower's intended benefit from the residential mortgage loan, but not facts which are reasonably susceptible to the knowledge of the borrower;

(4) mortgage brokers will use reasonable care in performing duties; and

(5) mortgage brokers will account to a borrower for all the borrower's money and property received as agent.

Subd. 2. **Scope.** (a) The duty of agency between mortgage broker and borrower applies when the mortgage broker is acting in the capacity of mortgage broker as described in section 58.02, subdivision 14 or 23.

(b) Nothing in this section prohibits a mortgage broker from contracting for or collecting a fee for services rendered and which had been disclosed to the borrower in advance of the provision of such services.

(c) Nothing in this section requires a mortgage broker to obtain a loan containing terms or conditions not available to the mortgage broker in the mortgage broker's usual course of business, or to obtain a loan for the borrower from a mortgage lender with whom the mortgage broker does not have a business relationship."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1015, A bill for an act relating to commerce; regulating customer access to restroom facilities; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 1, line 11, delete "irritable" and insert "inflammatory"

Page 2, line 8, delete "has" and insert "claims to have"

Page 2, line 20, delete "\$100" and insert "\$50"

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.

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

H. F. No. 1016, A bill for an act relating to natural resources; providing for pest control measures; requiring approved firewood on land administered by the commissioner of natural resources; regulating sale and distribution of firewood; amending Minnesota Statutes 2006, sections 89.55; 239.092; 239.093; proposing coding for new law in Minnesota Statutes, chapter 89.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1021, A bill for an act relating to game and fish; modifying Lake Superior commercial fishing provisions; amending Minnesota Statutes 2006, section 97C.835, subdivisions 1, 2, 3, 8; proposing coding for new law in Minnesota Statutes, chapter 97C.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1041, A bill for an act relating to health; requiring health plans to establish a plan to monitor prescribing of controlled substances; establishing a controlled substances prescription electronic reporting system; requiring an evaluation report; amending Minnesota Statutes 2006, section 152.11, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 62Q; 152; 256B.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 1, line 23, after "substance" insert ", who need not be the person for whom the controlled substance prescription is written,"

Page 7, lines 20 and 24, delete "3" and insert "2"

Page 7, line 25, delete "5 and 6" and insert "4 and 5"

Re-number the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

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

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.

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

H. F. No. 1053, A bill for an act relating to crimes; making it a felony to commit theft of a computer that has identity information in its memory about the owner or any other person; amending Minnesota Statutes 2006, section 609.52, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 609.52, subdivision 2, is amended to read:

Subd. 2. **Acts constituting theft.** Whoever does any of the following commits theft and may be sentenced as provided in subdivision 3:

(1) intentionally and without claim of right takes, uses, transfers, conceals or retains possession of movable property of another without the other's consent and with intent to deprive the owner permanently of possession of the property; or

(2) with or without having a legal interest in movable property, intentionally and without consent, takes the property out of the possession of a pledgee or other person having a superior right of possession, with intent thereby to deprive the pledgee or other person permanently of the possession of the property; or

(3) obtains for the actor or another the possession, custody, or title to property of or performance of services by a third person by intentionally deceiving the third person with a false representation which is known to be false, made with intent to defraud, and which does defraud the person to whom it is made. "False representation" includes without limitation:

(i) the issuance of a check, draft, or order for the payment of money, except a forged check as defined in section 609.631, or the delivery of property knowing that the actor is not entitled to draw upon the drawee therefor or to order the payment or delivery thereof; or

(ii) a promise made with intent not to perform. Failure to perform is not evidence of intent not to perform unless corroborated by other substantial evidence; or

(iii) the preparation or filing of a claim for reimbursement, a rate application, or a cost report used to establish a rate or claim for payment for medical care provided to a recipient of medical assistance under chapter 256B, which intentionally and falsely states the costs of or actual services provided by a vendor of medical care; or

(iv) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 which intentionally and falsely states the costs of or actual treatment or supplies provided; or

(v) the preparation or filing of a claim for reimbursement for providing treatment or supplies required to be furnished to an employee under section 176.135 for treatment or supplies that the provider knew were medically unnecessary, inappropriate, or excessive; or

(4) by swindling, whether by artifice, trick, device, or any other means, obtains property or services from another person; or

(5) intentionally commits any of the acts listed in this subdivision but with intent to exercise temporary control only and:

(i) the control exercised manifests an indifference to the rights of the owner or the restoration of the property to the owner; or

(ii) the actor pledges or otherwise attempts to subject the property to an adverse claim; or

(iii) the actor intends to restore the property only on condition that the owner pay a reward or buy back or make other compensation; or

(6) finds lost property and, knowing or having reasonable means of ascertaining the true owner, appropriates it to the finder's own use or to that of another not entitled thereto without first having made reasonable effort to find the owner and offer and surrender the property to the owner; or

(7) intentionally obtains property or services, offered upon the deposit of a sum of money or tokens in a coin or token operated machine or other receptacle, without making the required deposit or otherwise obtaining the consent of the owner; or

(8) intentionally and without claim of right converts any article representing a trade secret, knowing it to be such, to the actor's own use or that of another person or makes a copy of an article representing a trade secret, knowing it to be such, and intentionally and without claim of right converts the same to the actor's own use or that of another person. It shall be a complete defense to any prosecution under this clause for the defendant to show that information comprising the trade secret was rightfully known or available to the defendant from a source other than the owner of the trade secret; or

(9) leases or rents personal property under a written instrument and who:

(i) with intent to place the property beyond the control of the lessor conceals or aids or abets the concealment of the property or any part thereof; or

(ii) sells, conveys, or encumbers the property or any part thereof without the written consent of the lessor, without informing the person to whom the lessee sells, conveys, or encumbers that the same is subject to such lease or rental contract with intent to deprive the lessor of possession thereof; or

(iii) does not return the property to the lessor at the end of the lease or rental term, plus agreed upon extensions, with intent to wrongfully deprive the lessor of possession of the property; or

(iv) returns the property to the lessor at the end of the lease or rental term, plus agreed upon extensions, but does not pay the lease or rental charges agreed upon in the written instrument, with intent to wrongfully deprive the lessor of the agreed upon charges.

For the purposes of items (iii) and (iv), the value of the property must be at least \$100.

Evidence that a lessee used a false, fictitious, or not current name, address, or place of employment in obtaining the property or fails or refuses to return the property or pay the rental contract charges to lessor within five days after written demand for the return has been served personally in the manner provided for service of process of a civil action or sent by certified mail to the last known address of the lessee, whichever shall occur later, shall be evidence of intent to violate this clause. Service by certified mail shall be deemed to be complete upon deposit in the United States mail of such demand, postpaid and addressed to the person at the address for the person set forth in the lease or rental agreement, or, in the absence of the address, to the person's last known place of residence; or

(10) alters, removes, or obliterates numbers or symbols placed on movable property for purpose of identification by the owner or person who has legal custody or right to possession thereof with the intent to prevent identification, if the person who alters, removes, or obliterates the numbers or symbols is not the owner and does not have the permission of the owner to make the alteration, removal, or obliteration; or

(11) with the intent to prevent the identification of property involved, so as to deprive the rightful owner of possession thereof, alters or removes any permanent serial number, permanent distinguishing number or manufacturer's identification number on personal property or possesses, sells or buys any personal property knowing or having reason to know that the permanent serial number, permanent distinguishing number or manufacturer's identification number has been removed or altered; or

(12) intentionally deprives another of a lawful charge for cable television service by:

(i) making or using or attempting to make or use an unauthorized external connection outside the individual dwelling unit whether physical, electrical, acoustical, inductive, or other connection; or by

(ii) attaching any unauthorized device to any cable, wire, microwave, or other component of a licensed cable communications system as defined in chapter 238. Nothing herein shall be construed to prohibit the electronic video rerecording of program material transmitted on the cable communications system by a subscriber for fair use as defined by Public Law 94-553, section 107; or

(13) except as provided in paragraphs (12) and (14), obtains the services of another with the intention of receiving those services without making the agreed or reasonably expected payment of money or other consideration; or

(14) intentionally deprives another of a lawful charge for telecommunications service by:

(i) making, using, or attempting to make or use an unauthorized connection whether physical, electrical, by wire, microwave, radio, or other means to a component of a local telecommunication system as provided in chapter 237; or

(ii) attaching an unauthorized device to a cable, wire, microwave, radio, or other component of a local telecommunication system as provided in chapter 237.

The existence of an unauthorized connection is prima facie evidence that the occupier of the premises:

(i) made or was aware of the connection; and

(ii) was aware that the connection was unauthorized; or

(15) with intent to defraud, diverts corporate property other than in accordance with general business purposes or for purposes other than those specified in the corporation's articles of incorporation; or

(16) with intent to defraud, authorizes or causes a corporation to make a distribution in violation of section 302A.551, or any other state law in conformity with it; or

(17) takes or drives a motor vehicle without the consent of the owner or an authorized agent of the owner, knowing or having reason to know that the owner or an authorized agent of the owner did not give consent; or

(18) intentionally and without claim of right, takes, transfers, conceals, or retains possession of any computer as defined in section 609.87, subdivision 3, that has identifying information, as defined in section 609.527, subdivision 1, paragraph (d), in its memory about the owner or any other person, with intent to convert the identifying information to the actor's own use or that of another.

**EFFECTIVE DATE.** This section is effective August 1, 2007, and applies to crimes committed on or after that date.

Page 2, delete lines 20 to 22 and insert:

"(vi) the conviction is for a violation of subdivision 2, clause (18); or"

Renumber the sections in sequence

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.

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

H. F. No. 1074, A bill for an act relating to anatomical gifts; adopting the Darlene Luther Revised Uniform Anatomical Gift Act; imposing penalties; proposing coding for new law as Minnesota Statutes, chapter 525A; repealing Minnesota Statutes 2006, sections 525.921; 525.9211; 525.9212; 525.9213; 525.9214; 525.9215; 525.9216; 525.9217; 525.9218; 525.9219; 525.9221; 525.9222; 525.9223; 525.9224.

Reported the same back with the following amendments:

Page 7, line 5, after the period, insert "An anatomical gift made in a will, a designation on a driver's license or identification card, or a health care directive under chapter 145C, and not revoked, establishes the intent of the person making the designation and may not be overridden by any other person."

Page 11, line 4, after the period, insert "If a body is transferred to the custody of the medical examiner, the person who discovered the body must notify the person's dispatcher. A dispatcher notified under this section must notify the state's federally designated organ procurement organization and inform the organization of the deceased's name, donor status, and location."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1183, A bill for an act relating to natural resources; providing for community forest management; providing for control of forest and shade tree pests; appropriating money; amending Minnesota Statutes 2006, sections 18G.03, by adding a subdivision; 18G.11; 84D.14; 88.01, by adding a subdivision; 88.79, subdivisions 1, 2; 88.82; 89.001, subdivision 8, by adding subdivisions; 89.01, subdivisions 1, 2, 4; 89.51, subdivisions 1, 6, 9; 89.52; 89.53; 89.54; 89.55; 89.56, subdivisions 1, 3; 89.57; 89.58; 89.59; 89.60; 89.61; 97A.205; proposing coding for new law in Minnesota Statutes, chapter 89; repealing Minnesota Statutes 2006, sections 18G.16; 89.51, subdivision 8.

Reported the same back with the following amendments:

Page 11, line 31, delete everything after the semicolon and insert "the Minnesota Shade Tree Advisory Council"

Page 11, line 32, delete "Resources"

With the recommendation that when so amended 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. 1209, A bill for an act relating to commerce; regulating certain transactions with homeowners whose homes are in foreclosure; amending Minnesota Statutes 2006, sections 325N.01; 325N.03; 325N.04; 325N.10, subdivisions 3, 4, by adding a subdivision; 325N.13; 325N.14; 325N.17; 325N.18, by adding a subdivision; Laws 2004, chapter 263, section 26.

Reported the same back with the following amendments:

Page 5, line 1, after the period, insert "A post office box may be designated for delivery by mail only if it is accompanied by a physical address at which the notice could be delivered by a method other than mail."

Page 6, line 33, delete "foreclosed real property" and insert "residence in foreclosure"

Page 7, line 27, after "mailed" insert "or otherwise delivered" and after the period, insert "A post office box may be designated for delivery by mail only if it is accompanied by a physical address at which the notice could be delivered by a method other than mail."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1224, A bill for an act relating to labor relations; prohibiting use of state funds to encourage or discourage union organizing; providing for a civil penalty; proposing coding for new law in Minnesota Statutes, chapter 179.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[179.78] DEFINITIONS.**

Subdivision 1. **Scope.** For the purposes of sections 179.78 to 179.785, the terms defined in this section have the meanings given them.

Subd. 2. **Employee influence activity.** (a) "Employee influence activity" means any activity, effort, or attempt by a publicly funded employer:

(1) to influence its employees regarding their decisions about whether to support or oppose a labor organization that represents or seeks to represent those employees or whether to become a member of any labor organization;

(2) to encourage or discourage any employee from joining or refraining from joining a labor organization or from participating or refraining from participating in any activities in support thereof; or

(3) to encourage or discourage any employee from participating in or refraining from participating in any effort by a labor organization or any other form of employee self-organization or any activity in which an employee participates for the purpose of mutual aid or protection.

(b) "Employee influence activity" includes:

(1) conducting meetings during working hours if any such meetings are conducted for the purpose of or in connection with any action to carry out the purposes of paragraph (a), clauses (1) to (3);

(2) training managers, supervisors, or other personnel regarding methods or techniques of or related to carrying out the purposes of paragraph (a), clauses (1) to (3); and

(3) hiring, retaining, paying the salary or any other compensation to, or defraying any expenses of any individual, corporation, unincorporated association, partnership, firm, consultancy, or other entity, or any individual acting for or on behalf of same, for performing research, planning, advising, preparing, coordinating, carrying out, or engaging in activities related to carrying out the purposes of paragraph (a), clauses (1) to (3).

Subd. 3. **Employee.** "Employee" means any individual:

(1) employed by a publicly funded employer, including but not limited to any individual engaged in performing work, providing services, or fulfilling contracts that are, in whole or in part, directly or indirectly, paid for, financed, derived, or subsidized by, with, or from public funds; and

(2) any individual employed by any employer in connection with such work.

Subd. 4. **State.** "State" includes the state of Minnesota and any agency, office, officer, department, division, board, commission, authority, instrumentality, or political subdivision thereof; any corporation, entity, or body created by state law; and any individual designated by or with authority to act for the state or any of its subordinate units or political subdivisions.

Subd. 5. **Attorney general.** "Attorney general" means the attorney general of the state of Minnesota.

Subd. 6. **Employer.** "Employer" means any individual, corporation, unincorporated association, partnership, institution, trustee, trustee in bankruptcy, receiver, government agency or body, or other legal entity or association other than the state, that employs at least one person in the state or any director, officer, or managerial employee acting as an agent for such individual, corporation, unincorporated association, partnership, institution, trustee, trustee in bankruptcy, receiver, government agency or body, or other legal entity or association other than the state, that employs at least one person in the state. This definition includes contractors, subcontractors, grantees, and subgrantees of employers.

Subd. 7. **Publicly funded employer.** "Publicly funded employer" means the state or any employer that receives public funds in excess of \$25,000 per year in any of the immediately preceding five years whether such funds are received through payment, grant, allocation, reimbursement, or subsidy.

Subd. 8. **Public funds.** "Public funds" means the revenues of the state from whatever source derived and any money drawn from the accounts or treasury or any special fund or trust fund of the state or any of its subordinate units and political subdivisions, insofar as such funds are appropriated, expended, paid over, granted, allocated, reimbursed, transferred, or contributed to any other person or entity for the purpose of supplying services to the state, for the performance of public works pursuant to the state or its citizens, or for or in connection with the performance of any contract with the state.

Sec. 2. **[179.781] PROHIBITED ACTIVITIES.**

Subdivision 1. **Employer activities.** Publicly funded employers shall not engage in employee influence activity for which public money is used, directly or indirectly, to pay any cost or expense, or for which any cost or expense is defrayed or reimbursed from public funds.

Subd. 2. **State activities.** The state shall not engage in any employee influence activity nor shall the state appropriate, pay, grant, or transfer public funds or, with public funds, reimburse a publicly funded employer for costs or expenditures arising from or in connection with any employee influence activity.

Subd. 3. **Expression of views.** Nothing in this section shall be interpreted to limit the right of a publicly funded employer to express any views to its employees or others, or to engage in any otherwise lawful employee influence activity, as long as such expression is made or action conducted without utilizing public funds.

Sec. 3. **[179.782] CERTIFICATION.**

As a condition of receiving public funds, a publicly funded employer other than the state shall certify to the state that it will not engage in employee influence activity for which public money is used, directly or indirectly, to pay any cost or expense or for which any cost or expense is defrayed or reimbursed from public funds. A publicly funded employer must certify that it will comply with all the requirements of this section. Certification is required in requests for reimbursements from public funds, requests to participate in state programs, bid proposal submissions, grant request applications, and service contracts.

Sec. 4. **[179.783] RECORD KEEPING.**

A state contractor, grant recipient, or program participant that incurs costs or expenses related to employee influence activities shall maintain records sufficient to show that public funds have not been used and are not being sought for the purpose of engaging in employee influence activities. These records shall be provided to the attorney general upon request, within ten days of a request.

Sec. 5. **[179.784] EXCEPTIONS.**

The provisions of sections 2, 3, 4, and 6 shall not apply when the state or publicly funded employer is:

(1) performing an activity required by federal or state law or by a collective bargaining agreement;

(2) addressing a grievance or entering into, negotiating, or administering a collective bargaining agreement or other agreement with a labor organization;

(3) using bulletin boards, e-mail, or other facilities normally used for communication with or by employees, by any employee, labor organization, groups of employees, or bona fide employee organization, for discussion of issues related to unionization or collective bargaining if any applicable law or collectively bargaining agreement permits or requires a publicly funded employer to allow such use; or

(4) using or accessing facilities or property by any employee, labor organization, groups of employees, or bona fide employee organization if any applicable law or collective bargaining agreement permits or requires a publicly funded employer to allow such use or access.

Sec. 6. **[179.785] ENFORCEMENT AND ACTIONS.**

Subdivision 1. **Department of Labor and Industry.** Any citizen or taxpayer of the state who complains that a publicly funded employer is using or has used public funds for employee influence activities may request the Department of Labor and Industry to investigate the matter. The Department of Labor and Industry shall commence an investigation if there is reasonable cause to believe a violation has occurred or is likely to occur and shall issue a report within 90 days.

Subd. 2. **Attorney general.** A civil action for a violation of this section may be brought by the attorney general, on behalf of the people of the state, for injunctive relief, damages, civil penalties, and other appropriate equitable relief.

Subd. 3. **Individual.** A citizen or taxpayer may bring an action following notification to the attorney general. If, at any time after the citizen or taxpayer has commenced an action, the attorney general commences an action with regard to the same matter, the suit by the citizen or taxpayer shall be held in abeyance. The court may, in its discretion and for the assistance of the court, permit any citizen or taxpayer to intervene and participate in any proceedings connected with the action of the attorney general. If the attorney general subsequently declines to

proceed with its action, the citizen or taxpayer action shall be reopened and proceed. If the action of the attorney general is dismissed by the court or resolved by settlement between the parties, the citizen or taxpayer action shall be dismissed or otherwise resolved as provided in the settlement to the extent that the actions arise out of the same alleged violations.

Subd. 4. **Cease and desist.** The court shall order a publicly funded employer other than the state to cease and desist from such action and to reimburse the state in the amount of any prohibited expenditures plus interest and damages. The court shall provide other relief, legal and equitable, as is just and appropriate, including, when the action was commenced by a citizen or taxpayer, reasonable costs and attorney fees. Whenever a citizen or taxpayer action is superseded by an action brought by the attorney general that results in a finding of a violation of this section, the citizen or taxpayer may recover reasonable costs and attorney fees incurred prior to the initiation of the action of the attorney general.

Subd. 5. **Presumption.** In any action under this section, it shall be presumed that public funds were used for any costs or expenditures in connection with any employee influence activity unless the publicly funded employer establishes by a preponderance of the evidence that, prior to engaging in such activity, the publicly funded employer made reasonable efforts to segregate its public funds from other revenue sources, and that any costs or expenditures associated with such employee influence activity were entirely defrayed from revenues other than any public funds of which the publicly funded employer is a recipient, grantee, payee, or beneficiary. If public funds and other funds are commingled, any costs incurred or expenses related to employee influence activities shall be presumed to derive pro rata from public funds.

Subd. 6. **Damages and penalties.** All damages and civil penalties collected shall be deposited in the general fund in the state treasury."

Delete the title and insert:

"A bill for an act relating to labor relations; prohibiting use of public funds for employee influence activity; requiring record keeping; providing for enforcement and civil actions; providing civil penalties; proposing coding for new law in Minnesota Statutes, chapter 179."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1283, A bill for an act relating to employment; requiring independent contractor exemption certificates; providing penalties; authorizing notice to the commissioners of revenue and employment and economic development; requiring the commissioner of revenue to review certifications of independent contractor status; proposing coding for new law in Minnesota Statutes, chapter 181; repealing Minnesota Statutes 2006, sections 176.042; 181.722; 268.035, subdivision 9.

Reported the same back with the following amendments:

Page 5, line 10, after "contractor" insert "who meets the qualifications under subdivision 6,"

Page 5, line 21, delete "for whom an individual is performing services"

Page 5, line 34, after "Remedies." delete "(a)"

Page 5, line 35, delete "\$1,000" and insert "\$5,000"

Page 6, delete lines 1 to 13

Page 8, line 28, delete "181.722;"

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.

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

H. F. No. 1287, A bill for an act relating to insurance; requiring coverage for colorectal screening tests; amending Minnesota Statutes 2006, section 62A.30, subdivision 2.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1296, A bill for an act relating to insurance; requiring coverage for doula services; requiring medical assistance to cover doula services; establishing a doula registry; ensuring in the patient bill of rights the presence of a doula if requested by a patient; amending Minnesota Statutes 2006, sections 144.651, subdivisions 9, 10; 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62A; proposing coding for new law as Minnesota Statutes, chapter 146B.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 5, line 10, delete "nationally" and delete "section 62A.0412, subdivision 4" and insert "section 146B.01, subdivision 2"

Page 5, after line 15, insert:

"Sec. 8. **DOULA SERVICES STUDY.**

The commissioner of human services shall conduct a study relating to medical assistance, comparing the use of epidurals and cesarean sections among women who use doula services compared to women who do not. The study must:

(1) evaluate the frequency with which epidurals are provided to women who use doula services compared to women who do not use these services; and

(2) evaluate the frequency with which cesarean sections are performed on women who use doula services compared to women who do not.

The commissioner must report findings to the legislature by August 1, 2008."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "insurance; requiring coverage for doula services" and insert "health"

Page 1, line 4, after the semicolon, insert "requiring a study;"

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. 1319, A bill for an act relating to education; establishing a pilot program to explore the development of a regional center for visual arts; appropriating money.

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. 1339, A bill for an act relating to state government; deleting a record retention provision; amending Minnesota Statutes 2006, section 15.17, subdivision 1; repealing Minnesota Statutes 2006, section 138.17, subdivisions 9, 10.

Reported the same back with the following amendments:

Page 1, line 17, strike "If a"

Page 1, strike line 18

Page 1, line 19, strike "meet archival standards specified by the Minnesota Historical Society"

Page 1, line 21, strike the period

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. 1360, A bill for an act relating to data practices; clarifying duties and classifications; making technical changes; amending Minnesota Statutes 2006, sections 13.02, subdivision 11; 13.04, subdivisions 3, 4; 13.05, subdivision 10; 13.35; 13.355, subdivision 1; 13.384, subdivisions 1, 2; 13.39, subdivisions 1, 2, 3; 13.393; 13.40, subdivisions 1, 3; 13.41, subdivision 3; 13.43, subdivisions 2, 5, 7, 10, 11; 13.435; 13.44, subdivisions 1, 2, 3; 13.462, subdivisions 2, 3; 13.48; 13.552, subdivision 3; 13.861, subdivision 1; 13.87, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 13; repealing Minnesota Statutes 2006, section 13.79, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 13.02, subdivision 8, is amended to read:

Subd. 8. **Individual.** "Individual" means a natural person. In the case of a minor or an ~~individual adjudged mentally incompetent~~ incapacitated person as defined in section 524.5-102, subdivision 6, "individual" includes a parent or guardian or an individual acting as a parent or guardian in the absence of a parent or guardian, except that the responsible authority shall withhold data from parents or guardians, or individuals acting as parents or guardians in the absence of parents or guardians, upon request by the minor if the responsible authority determines that withholding the data would be in the best interest of the minor.

Sec. 2. Minnesota Statutes 2006, section 13.02, subdivision 11, is amended to read:

Subd. 11. **Political subdivision.** "Political subdivision" means any county, statutory or home rule charter city, school district, special district, any town exercising powers under chapter 368 and located in the metropolitan area, as defined in section 473.121, subdivision 2, and any board, commission, district or authority created pursuant to law, local ordinance or charter provision. It includes any nonprofit corporation which is a community action agency organized pursuant to the Economic Opportunity Act of 1964 (Public Law 88-452) as amended, to qualify for public funds, or any nonprofit social service agency which performs services under contract to ~~any political subdivision, statewide system or state agency~~ a government entity, to the extent that the nonprofit social service agency or nonprofit corporation collects, stores, disseminates, and uses data on individuals because of a contractual relationship with ~~state agencies, political subdivisions or statewide systems~~ a government entity.

Sec. 3. Minnesota Statutes 2006, section 13.03, subdivision 4, is amended to read:

Subd. 4. **Change in classification of data; effect of dissemination among agencies.** (a) The classification of data in the possession of an entity shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the possession of the disseminating or receiving entity.

(b) If data on individuals is classified as both private and confidential by this chapter, or any other statute or federal law, the data is private.

(c) To the extent that government data is disseminated to a government entity by another government entity, the data disseminated shall have the same classification in the hands of the entity receiving it as it had in the hands of the entity providing it.

(d) If a government entity disseminates data to another government entity, a classification provided for by law in the hands of the entity receiving the data does not affect the classification of the data in the hands of the entity that disseminates the data.

(e) To the extent that judicial branch data is disseminated to government entities by the judicial branch, the data disseminated shall have the same level of accessibility in the hands of the agency receiving it as it had in the hands of the judicial branch entity providing it.

Sec. 4. Minnesota Statutes 2006, section 13.04, subdivision 3, is amended to read:

Subd. 3. **Access to data by individual.** Upon request to a responsible authority or designee, an individual shall be informed whether the individual is the subject of stored data on individuals, and whether it is classified as public, private or confidential. Upon further request, an individual who is the subject of stored private or public data on individuals shall be shown the data without any charge and, if desired, shall be informed of the content and meaning of that data. After an individual has been shown the private data and informed of its meaning, the data need not be disclosed to that individual for six months thereafter unless a dispute or action pursuant to this section is pending or additional data on the individual has been collected or created. The responsible authority or designee shall provide copies of the private or public data upon request by the individual subject of the data. The responsible authority or designee may require the requesting person to pay the actual costs of making, ~~and certifying, and compiling~~ the copies.

The responsible authority or designee shall comply immediately, if possible, with any request made pursuant to this subdivision, or within ten days of the date of the request, excluding Saturdays, Sundays and legal holidays, if immediate compliance is not possible.

Sec. 5. Minnesota Statutes 2006, section 13.04, subdivision 4, is amended to read:

Subd. 4. **Procedure when data is not accurate or complete.** (a) An individual subject of the data may contest the accuracy or completeness of public or private data. To exercise this right, an individual shall notify in writing the responsible authority describing the nature of the disagreement. The responsible authority shall within 30 days either: (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual; or (2) notify the individual that the authority believes the data to be correct. Data in dispute shall be disclosed only if the individual's statement of disagreement is included with the disclosed data.

The determination of the responsible authority may be appealed pursuant to the provisions of the Administrative Procedure Act relating to contested cases. Upon receipt of an appeal by an individual, the commissioner shall, before issuing the order and notice of a contested case hearing required by chapter 14, try to resolve the dispute through education, conference, conciliation, or persuasion. If the parties consent, the commissioner may refer the matter to mediation. Following these efforts, the commissioner shall dismiss the appeal or issue the order and notice of hearing.

(b) Data on individuals that have been successfully challenged by an individual must be completed, corrected, or destroyed by a ~~state agency, political subdivision, or statewide system~~ government entity without regard to the requirements of section 138.17.

After completing, correcting, or destroying successfully challenged data, a government entity may retain a copy of the commissioner of administration's order issued under chapter 14 or, if no order were issued, a summary of the dispute between the parties that does not contain any particulars of the successfully challenged data.

Sec. 6. Minnesota Statutes 2006, section 13.05, subdivision 10, is amended to read:

Subd. 10. **International dissemination.** No ~~state agency or political subdivision~~ government entity shall transfer or disseminate any private or confidential data on individuals to the private international organization known as Interpol, except through the Interpol-United States National Central Bureau, United States Department of Justice.

Sec. 7. Minnesota Statutes 2006, section 13.072, subdivision 1, is amended to read:

Subdivision 1. **Opinion; when required.** (a) Upon request of a government entity, the commissioner may give a written opinion on any question relating to public access to government data, rights of subjects of data, or classification of data under this chapter or other Minnesota statutes governing government data practices. Upon request of any person who disagrees with a determination regarding data practices made by a government entity, the commissioner may give a written opinion regarding the person's rights as a subject of government data or right to have access to government data.

(b) Upon request of a body subject to chapter 13D, the commissioner may give a written opinion on any question relating to the body's duties under chapter 13D. Upon request of a person who disagrees with the manner in which members of a governing body perform their duties under chapter 13D, the commissioner may give a written opinion on compliance with chapter 13D. A governing body or person requesting an opinion under this paragraph must pay the commissioner a fee of \$200. Money received by the commissioner under this paragraph is appropriated to the commissioner for the purposes of this section.

(c) If the commissioner determines that no opinion will be issued, the commissioner shall give the government entity or body subject to chapter 13D or person requesting the opinion notice of the decision not to issue the opinion within five business days of receipt of the request. If this notice is not given, the commissioner shall issue an opinion within 20 days of receipt of the request.

(d) For good cause and upon written notice to the person requesting the opinion, the commissioner may extend this deadline for one additional 30-day period. The notice must state the reason for extending the deadline. The government entity or the members of a body subject to chapter 13D must be provided a reasonable opportunity to explain the reasons for its decision regarding the data or how they perform their duties under chapter 13D. The commissioner or the government entity or body subject to chapter 13D may choose to give notice to the subject of the data concerning the dispute regarding the data or compliance with chapter 13D.

(e) This section does not apply to a determination made by the commissioner of health under section 13.3805, subdivision 1, paragraph (b), or 144.6581.

(f) A written, numbered, and published opinion issued by the attorney general shall take precedence over an opinion issued by the commissioner under this section.

Sec. 8. Minnesota Statutes 2006, section 13.08, subdivision 1, is amended to read:

Subdivision 1. **Action for damages.** Notwithstanding section 466.03, a responsible authority or government entity which violates any provision of this chapter is liable to a person or representative of a decedent who suffers any damage as a result of the violation, and the person damaged or a representative in the case of private data on decedents or confidential data on decedents may bring an action against the responsible authority or government entity to cover any damages sustained, plus costs and reasonable attorney fees. In the case of a willful violation, the government entity shall, in addition, be liable to exemplary damages of not less than ~~\$100~~ \$5,000, nor more than ~~\$10,000~~ \$50,000 for each violation. The state is deemed to have waived any immunity to a cause of action brought under this chapter.

Sec. 9. Minnesota Statutes 2006, section 13.08, subdivision 4, is amended to read:

Subd. 4. **Action to compel compliance.** (a) In addition to the remedies provided in subdivisions 1 to 3 or any other law, any aggrieved person seeking to enforce the person's rights under this chapter or obtain access to data may bring an action in district court to compel compliance with this chapter and may recover costs and disbursements, including reasonable attorney's fees, as determined by the court. If the court determines that an

action brought under this subdivision is frivolous and without merit and a basis in fact, it may award reasonable costs and attorney fees to the responsible authority. If the court issues an order to compel compliance under this subdivision, the court may impose a civil penalty of up to ~~\$300~~ \$3,000 against the government entity. This penalty is payable to the state general fund and is in addition to damages under subdivision 1. The matter shall be heard as soon as possible. In an action involving a request for government data under section 13.03 or 13.04, the court may inspect in camera the government data in dispute, but shall conduct its hearing in public and in a manner that protects the security of data classified as not public. If the court issues an order to compel compliance under this subdivision, the court shall forward a copy of the order to the commissioner of administration.

(b) In determining whether to assess a civil penalty under this subdivision, the court shall consider whether the government entity has substantially complied with general data practices under this chapter, including but not limited to, whether the government entity has:

(1) designated a responsible authority under section 13.02, subdivision 16;

(2) designated a data practices compliance official under section 13.05, subdivision 13;

(3) prepared the public document that names the responsible authority and describes the records and data on individuals that are maintained by the government entity under section 13.05, subdivision 1;

(4) developed public access procedures under section 13.03, subdivision 2; procedures to guarantee the rights of data subjects under section 13.05, subdivision 8; and procedures to ensure that data on individuals are accurate and complete and to safeguard the data's security under section 13.05, subdivision 5;

(5) ~~sought an oral, written, or electronic opinion from the commissioner of administration related to the matter at issue and acted in conformity with that opinion or acted in conformity with an opinion issued under section 13.072 that was sought by a government entity or another person; or~~

(6) provided ongoing training to government entity personnel who respond to requests under this chapter.

(c) The court shall award reasonable attorney fees to a prevailing plaintiff who has brought an action under this subdivision if the government entity that is the defendant in the action was also the subject of a written opinion issued under section 13.072 and the court finds that the opinion is directly related to the cause of action being litigated and that the government entity did not act in conformity with the opinion.

Sec. 10. Minnesota Statutes 2006, section 13.202, subdivision 11, is amended to read:

Subd. 11. **Metropolitan government.** (a) Labor relations information. Certain labor relations data relating to the negotiation of collective bargaining contracts by the Metropolitan Council are classified under section 473.1291.

~~(a)~~ (b) Affirmative action plans. Treatment of data relating to metropolitan agency affirmative action plans is governed by section 473.143, subdivisions 5 and 7.

~~(b)~~ (c) Contracts for management services. Data relating to compensation of personnel who work under a management service contract are classified by section 473.405, subdivision 12.

~~(c)~~ (d) Arena acquisition. Certain data in connection with a decision whether to acquire a sports arena are classified under section 473.598, subdivision 4.

(d) (e) **Airports commission.** Certain airline data submitted to the Metropolitan Airports Commission in connection with the issuance of revenue bonds are classified under section 473.6671, subdivision 3.

(e) (f) **Solid waste landfill fee.** Information obtained from the operator of a mixed municipal solid waste disposal facility under section 473.843 is classified under section 473.843, subdivision 4.

Sec. 11. Minnesota Statutes 2006, section 13.32, subdivision 5, is amended to read:

Subd. 5. **Directory information.** Information designated as directory information pursuant to the provisions of United States Code, title 20, section 1232g and Code of Federal Regulations, title 34, section 99.37 which are in effect on ~~July 1, 1993~~ January 1, 2007, is public data on individuals. When conducting the directory information designation and notice process required by federal law, an educational agency or institution shall give parents and students notice of the right to refuse to let the agency or institution designate any or all data about the student as directory information. This notice may be given by any means reasonably likely to inform the parents and students of the right.

Sec. 12. Minnesota Statutes 2006, section 13.35, is amended to read:

### 13.35 FEDERAL CONTRACTS DATA.

To the extent that a federal agency requires it as a condition for contracting with a ~~state agency or political subdivision~~ government entity, all government data collected and maintained by the ~~state agency or political subdivision~~ government entity because that agency contracts with the federal agency are classified as either private or nonpublic depending on whether the data are data on individuals or data not on individuals.

Sec. 13. Minnesota Statutes 2006, section 13.355, subdivision 1, is amended to read:

Subdivision 1. **General.** The Social Security numbers of individuals, whether provided in whole or in part, collected or maintained by a ~~state agency, statewide system, or political subdivision~~ government entity are private data on individuals, except to the extent that access to the Social Security number is specifically authorized by law.

Sec. 14. Minnesota Statutes 2006, section 13.384, subdivision 1, is amended to read:

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

(a) "Directory information" means name of the patient, date admitted, and general condition.

(b) "Medical data" means data collected because an individual was or is a patient or client of a hospital, nursing home, medical center, clinic, health or nursing agency operated by a ~~state agency or political subdivision~~ government entity including business and financial records, data provided by private health care facilities, and data provided by or about relatives of the individual.

Sec. 15. Minnesota Statutes 2006, section 13.384, subdivision 2, is amended to read:

Subd. 2. **Public hospitals; directory information.** (a) During the time that a person is a patient in a hospital operated by a ~~state agency or political subdivision~~ government entity under legal commitment, directory information is public data. After the person is released by termination of the person's legal commitment, the directory information is private data on individuals.

(b) If a person is a patient other than pursuant to commitment in a hospital controlled by a ~~state agency or political subdivision~~ government entity, directory information is public data unless the patient requests otherwise, in which case it is private data on individuals.

(c) Directory information about an emergency patient who is unable to communicate which is public under this subdivision shall not be released until a reasonable effort is made to notify the next of kin. Although an individual has requested that directory information be private, the hospital may release directory information to a law enforcement agency pursuant to a lawful investigation pertaining to that individual.

Sec. 16. Minnesota Statutes 2006, section 13.39, subdivision 1, is amended to read:

Subdivision 1. **Definitions.** A "pending civil legal action" includes but is not limited to judicial, administrative or arbitration proceedings. Whether a civil legal action is pending shall be determined by the chief attorney acting for the ~~state agency, political subdivision or statewide system~~ government entity.

Sec. 17. Minnesota Statutes 2006, section 13.39, subdivision 2, is amended to read:

Subd. 2. **Civil actions.** (a) Except as provided in paragraph (b), data collected by state agencies, political subdivisions, or statewide systems as part of an active investigation undertaken for the purpose of the commencement or defense of a pending civil legal action, or which are retained in anticipation of a pending civil legal action, are classified as protected nonpublic data pursuant to section 13.02, subdivision 13, in the case of data not on individuals and confidential pursuant to section 13.02, subdivision 3, in the case of data on individuals. Any agency, political subdivision, or statewide system may make any data classified as confidential or protected nonpublic pursuant to this subdivision accessible to any person, agency or the public if the agency, political subdivision, or statewide system determines that the access will aid the law enforcement process, promote public health or safety or dispel widespread rumor or unrest.

(b) A complainant has access to a statement provided by the complainant to a ~~state agency, statewide system, or political subdivision~~ government entity under paragraph (a).

Sec. 18. Minnesota Statutes 2006, section 13.39, subdivision 2a, is amended to read:

Subd. 2a. **Disclosure of data.** During the time when a civil legal action is determined to be pending under subdivision 1, any person may bring an action in the district court in the county where the data is maintained to obtain disclosure of data classified as confidential or protected nonpublic under subdivision 2. The court may order that all or part of the data be released to the public or to the person bringing the action. In making the determination whether data shall be disclosed, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, the ~~agency~~ entity, or any person identified in the data. The data in dispute shall be examined by the court in camera.

Sec. 19. Minnesota Statutes 2006, section 13.39, subdivision 3, is amended to read:

Subd. 3. **Inactive investigative data.** Inactive civil investigative data are public, unless the release of the data would jeopardize another pending civil legal action, and except for those portions of a civil investigative file that are classified as not public data by this chapter or other law. Any civil investigative data presented as evidence in court or made part of a court record shall be public. Civil investigative data become inactive upon the occurrence of any of the following events:

(1) a decision by the ~~state agency, political subdivision, or statewide system~~ government entity or by the chief attorney acting for the ~~state agency, political subdivision, or statewide system~~ government entity not to pursue the civil action;

(2) expiration of the time to file a complaint under the statute of limitations or agreement applicable to the civil action; or

(3) exhaustion of or expiration of rights of appeal by either party to the civil action.

Data determined to be inactive under clause (1) may become active if the ~~state agency, political subdivision, statewide system~~ government entity, or its attorney decides to renew the civil action.

Sec. 20. Minnesota Statutes 2006, section 13.392, subdivision 1, is amended to read:

Subdivision 1. **Confidential data or protected nonpublic data.** Data, notes, and preliminary drafts of reports created, collected, and maintained by the internal audit offices of ~~state agencies and political subdivisions~~ government entities, or persons performing audits for ~~state agencies and political subdivisions~~ government entities, and relating to an audit or investigation are confidential data on individuals or protected nonpublic data until the final report has been published or the audit or investigation is no longer being pursued actively, except that the data shall be disclosed as required to comply with section 6.67 or 609.456. This section does not limit in any way:

(1) the state auditor's access to government data of political subdivisions or data, notes, or preliminary drafts of reports of persons performing audits for political subdivisions; or

(2) the public or a data subject's access to data classified by section 13.43.

Sec. 21. Minnesota Statutes 2006, section 13.393, is amended to read:

### **13.393 ATTORNEYS.**

Notwithstanding the provisions of this chapter and section 15.17, the use, collection, storage, and dissemination of data by an attorney acting in a professional capacity for ~~the state, a state agency or a political subdivision~~ a government entity shall be governed by statutes, rules, and professional standards concerning discovery, production of documents, introduction of evidence, and professional responsibility; provided that this section shall not be construed to affect the applicability of any statute, other than this chapter and section 15.17, which specifically requires or prohibits disclosure of specific information by the attorney, nor shall this section be construed to relieve any responsible authority, other than the attorney, from duties and responsibilities pursuant to this chapter and section 15.17.

Sec. 22. Minnesota Statutes 2006, section 13.40, subdivision 1, is amended to read:

Subdivision 1. **Records subject to this chapter.** (a) For purposes of this section, "historical records repository" means an archives or manuscript repository operated by ~~any state agency, statewide system, or political subdivision~~ a government entity whose purpose is to collect and maintain data to further the history of a geographic or subject area. The term does not include the state archives as defined in section 138.17, subdivision 1, clause (5).

(b) Data collected, maintained, used, or disseminated by a library or historical records repository operated by ~~any state agency, political subdivision, or statewide system~~ a government entity shall be administered in accordance with the provisions of this chapter.

Sec. 23. Minnesota Statutes 2006, section 13.40, subdivision 3, is amended to read:

Subd. 3. **Nongovernmental data.** Data held in the custody of a historical records repository that were not originally created, received, maintained, or disseminated by a ~~state agency, statewide system, or political subdivision~~ government entity are not government data. These data are accessible to the public unless:

(1) the data are contributed by private persons under an agreement that restricts access, to the extent of any lawful limitation; or

(2) access would significantly endanger the physical or organizational integrity of the data.

Sec. 24. Minnesota Statutes 2006, section 13.41, subdivision 3, is amended to read:

Subd. 3. **Board of Peace Officer Standards and Training.** The following government data of the Board of Peace Officer Standards and Training are private data:

(1) home addresses of licensees and applicants for licenses; and

(2) data that identify the ~~state agency, statewide system, or political subdivision~~ government entity that employs a licensed peace officer.

The board may disseminate private data on applicants and licensees as is necessary to administer law enforcement licensure or to provide data under section 626.845, subdivision 1, to law enforcement agencies who are conducting employment background investigations.

Sec. 25. Minnesota Statutes 2006, section 13.43, subdivision 2, is amended to read:

Subd. 2. **Public data.** (a) Except for employees described in subdivision 5 and subject to the limitations described in subdivision 5a, the following personnel data on current and former employees, volunteers, and independent contractors of a government entity is public:

(1) name; employee identification number, which must not be the employee's Social Security number; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; and the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary;

(2) job title and bargaining unit; job description; education and training background; and previous work experience;

(3) date of first and last employment;

(4) the existence and status of any complaints or charges against the employee, regardless of whether the complaint or charge resulted in a disciplinary action;

(5) the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body;

(6) the terms of any agreement settling any dispute arising out of an employment relationship, including a buyout agreement as defined in section 123B.143, subdivision 2, paragraph (a); except that the agreement must include specific reasons for the agreement if it involves the payment of more than \$10,000 of public money;

(7) work location; a work telephone number; badge number; and honors and awards received; and

(8) payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data.

(b) For purposes of this subdivision, a final disposition occurs when the ~~state agency, statewide system, or political subdivision~~ government entity makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the ~~state agency, statewide system, political subdivision~~ government entity, or arbitrator.

(c) The ~~state agency, statewide system, or political subdivision~~ government entity may display a photograph of a current or former employee to a prospective witness as part of the ~~state agency's, statewide system's, or political subdivision's~~ government entity's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a ~~state agency, statewide system, or political subdivision~~ government entity in connection with a complaint or charge against an employee.

(e) Notwithstanding paragraph (a), clause (5), upon completion of an investigation of a complaint or charge against a public official, or if a public official resigns or is terminated from employment while the complaint or charge is pending, all data relating to the complaint or charge are public, unless access to the data would jeopardize an active investigation or reveal confidential sources. For purposes of this paragraph, "public official" means:

- (1) the head of a state agency and deputy and assistant state agency heads;
- (2) members of boards or commissions required by law to be appointed by the governor or other elective officers; and
- (3) executive or administrative heads of departments, bureaus, divisions, or institutions within state government.

Sec. 26. Minnesota Statutes 2006, section 13.43, subdivision 5, is amended to read:

Subd. 5. **Undercover law enforcement officer.** All personnel data maintained by ~~any state agency, statewide system or political subdivision~~ a government entity relating to an individual employed as or an applicant for employment as an undercover law enforcement officer are private data on individuals. When the individual is no longer assigned to an undercover position, the data described in subdivisions 2 and 3 become public unless the law enforcement agency determines that revealing the data would threaten the personal safety of the officer or jeopardize an active investigation.

Sec. 27. Minnesota Statutes 2006, section 13.43, subdivision 7, is amended to read:

Subd. 7. **Employee assistance data.** All data created, collected or maintained by ~~any state agency or political subdivision~~ a government entity to administer employee assistance programs similar to the one authorized by section 43A.319 are classified as private, pursuant to section 13.02, subdivision 12. This section shall not be interpreted to authorize the establishment of employee assistance programs.

Sec. 28. Minnesota Statutes 2006, section 13.43, subdivision 9, is amended to read:

Subd. 9. **Peer counseling debriefing data.** (a) Data acquired by a peer group member in a public safety peer counseling debriefing is private data on the person being debriefed.

(b) For purposes of this subdivision, "public safety peer counseling debriefing" means a group process oriented debriefing session held for peace officers, firefighters, medical emergency persons, dispatchers, or other persons involved with public safety emergency services, that is established by any agency entity providing public safety emergency services and is designed to help a person who has suffered an occupation-related traumatic event begin the process of healing and effectively dealing with posttraumatic stress.

Sec. 29. Minnesota Statutes 2006, section 13.43, subdivision 10, is amended to read:

Subd. 10. **Prohibition on agreements limiting disclosure or discussion of personnel data.** (a) A ~~state agency, statewide system, or political subdivision~~ government entity may not enter into an agreement settling a dispute arising out of the employment relationship with the purpose or effect of limiting access to or disclosure of personnel data or limiting the discussion of information or opinions related to personnel data. An agreement or portion of an agreement that violates this paragraph is void and unenforceable.

(b) Paragraph (a) applies to the following, but only to the extent that the data or information could otherwise be made accessible to the public:

(1) an agreement not to discuss, publicize, or comment on personnel data or information;

(2) an agreement that limits the ability of the subject of personnel data to release or consent to the release of data; or

(3) any other provision of an agreement that has the effect of limiting the disclosure or discussion of information that could otherwise be made accessible to the public, except a provision that limits the ability of an employee to release or discuss private data that identifies other employees.

(c) Paragraph (a) also applies to a court order that contains terms or conditions prohibited by paragraph (a).

Sec. 30. Minnesota Statutes 2006, section 13.43, subdivision 11, is amended to read:

Subd. 11. **Protection of employee or others.** (a) If the responsible authority or designee of a ~~state agency, statewide system, or political subdivision~~ government entity reasonably determines that the release of personnel data is necessary to protect an employee from harm to self or to protect another person who may be harmed by the employee, data that are relevant to the concerns for safety may be released as provided in this subdivision.

(b) The data may be released:

(1) to the person who may be harmed and to an attorney representing the person when the data are relevant to obtaining a restraining order;

(2) to a prepetition screening team conducting an investigation of the employee under section 253B.07, subdivision 1; or

(3) to a court, law enforcement agency, or prosecuting authority.

(c) Section 13.03, subdivision 4, paragraph (c), applies to data released under this subdivision, except to the extent that the data have a more restrictive classification in the possession of the agency or authority that receives the data. If the person who may be harmed or the person's attorney receives data under this subdivision, the data may be used or released further only to the extent necessary to protect the person from harm.

Sec. 31. Minnesota Statutes 2006, section 13.435, is amended to read:

#### **13.435 SALARY BENEFIT SURVEY DATA.**

Salary and personnel benefit survey data purchased from consulting firms, nonprofit corporations or associations or obtained from employers with the written understanding that the data shall not be made public which is maintained by ~~state agencies, political subdivisions or statewide systems~~ government entities are classified as nonpublic pursuant to section 13.02, subdivision 9.

Sec. 32. Minnesota Statutes 2006, section 13.44, subdivision 1, is amended to read:

Subdivision 1. **Real property; complaint data.** The identities of individuals who register complaints with ~~state agencies or political subdivisions~~ government entities concerning violations of state laws or local ordinances concerning the use of real property are classified as confidential data, pursuant to section 13.02, subdivision 3.

Sec. 33. Minnesota Statutes 2006, section 13.44, subdivision 2, is amended to read:

Subd. 2. **Real property; building code violations.** Code violation records pertaining to a particular parcel of real property and the buildings, improvements, and dwelling units located on it that are kept by any state, county, or city agency charged by the governing body of the appropriate ~~political subdivision~~ government entity with the responsibility for enforcing a state, county, or city health, housing, building, fire prevention, or housing maintenance code are public data; except as otherwise provided by section 13.39, subdivision 2; 13.44; or 13.82, subdivision 7.

Sec. 34. Minnesota Statutes 2006, section 13.44, subdivision 3, is amended to read:

Subd. 3. **Real property; appraisal data.** (a) **Confidential or protected nonpublic data.** Estimated or appraised values of individual parcels of real property that are made by personnel of ~~the state or a political subdivision~~ a government entity or by independent appraisers acting for ~~the state or a political subdivision~~ a government entity for the purpose of selling or acquiring land through purchase or condemnation are classified as confidential data on individuals or protected nonpublic data.

(b) **Private or nonpublic data.** Appraised values of individual parcels of real property that are made by appraisers working for fee owners or contract purchasers who have received an offer to purchase their property from ~~the state or a political subdivision~~ a government entity are classified as private data on individuals or nonpublic data.

(c) **Public data.** The data made confidential or protected nonpublic under paragraph (a) or made private or nonpublic under paragraph (b) become public upon the occurrence of any of the following:

- (1) the data are submitted to a court-appointed condemnation commissioner;
- (2) the data are presented in court in condemnation proceedings; or
- (3) the negotiating parties enter into an agreement for the purchase and sale of the property.

Sec. 35. Minnesota Statutes 2006, section 13.462, subdivision 1, is amended to read:

Subdivision 1. **Definition.** As used in this section, "benefit data" means data on individuals collected or created because an individual seeks information about becoming, is, or was an applicant for or a recipient of benefits or services provided under various housing, home ownership, rehabilitation and community action agency, Head Start, and food assistance programs administered by ~~state agencies, political subdivisions, or statewide systems~~ government entities. Benefit data does not include welfare data which shall be administered in accordance with section 13.46.

Sec. 36. Minnesota Statutes 2006, section 13.462, subdivision 2, is amended to read:

Subd. 2. **Public data.** The names and addresses of applicants for and recipients of benefits, aid, or assistance through programs administered by ~~any political subdivision, state agency, or statewide system~~ a government entity that are intended to assist with the purchase, rehabilitation, or other purposes related to housing or other real property are classified as public data on individuals. If an applicant or recipient is a corporation, the names and addresses of the officers of the corporation are public data on individuals. If an applicant or recipient is a partnership, the names and addresses of the partners are public data on individuals. The amount or value of benefits, aid, or assistance received is public data.

Sec. 37. Minnesota Statutes 2006, section 13.462, subdivision 3, is amended to read:

Subd. 3. **Private data.** Unless otherwise provided by law, all other benefit data are private data on individuals, and shall not be disclosed except pursuant to court order or to an agent of the ~~state agency, political subdivision, or statewide system~~ government entity, including appropriate law enforcement personnel, who are acting in an investigation or prosecution of a criminal or civil proceeding relating to the administration of a program described in subdivision 1.

Sec. 38. Minnesota Statutes 2006, section 13.48, is amended to read:

**13.48 AWARD DATA.**

Financial data on business entities submitted to a ~~state agency, statewide system, or political subdivision~~ government entity for the purpose of presenting awards to business entities for achievements in business development or performance are private data on individuals or nonpublic data.

Sec. 39. Minnesota Statutes 2006, section 13.552, subdivision 3, is amended to read:

Subd. 3. **Data provided under subpoena.** Data supplied by a ~~state agency, statewide system, or political subdivision~~ government entity pursuant to a subpoena issued by the commissioner of human rights is governed by section 363A.06, subdivision 2.

Sec. 40. Minnesota Statutes 2006, section 13.591, subdivision 4, is amended to read:

Subd. 4. **Classification of evaluative data; data sharing.** (a) Data created or maintained by a government entity as part of the selection or evaluation process referred to in this section are protected nonpublic data until completion of the selection process or completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

(b) If a ~~state agency~~ government entity asks employees of other ~~state agencies~~ government entities to assist with the selection of the responses to a request for bid or the evaluation of responses to a request for proposal, the ~~state agency~~ government entity may share not public data in the responses with those employees. The employees participating in the selection or evaluation may not further disseminate the not public data they review.

Sec. 41. **[13.597] GRANTS.**

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

(a) "Completion of the evaluation process" means that the granting agency has completed negotiating the grant agreement with the selected grantee.

(b) "Grant agreement" means the document that details the responsibilities of the grantee and the granting agency and the value to be provided to the grantee.

(c) "Grantee" means a person that applies for or receives a grant.

(d) "Granting agency" means the government entity that provides the grant.

(e) "Opened" means the act that occurs once the deadline for submitting a response to a proposal to the granting agency has been reached.

(f) "Request for proposal" means the data outlining the responsibilities the granting agency wants the grantee to assume.

(g) "Response" means the data submitted by a grantee as required by a request for proposal.

Subd. 2. **Request for applications.** Data created by a granting agency to create a request for proposal is classified as nonpublic until the request for proposal is published. To the extent that a granting agency involves persons outside the granting agency to create the request for proposal, the data remain nonpublic in the hands of all persons who may not further disseminate any data that are created or reviewed as part of the request for proposal development. At publication, the data in the request for proposal is public.

Subd. 3. **Responses to request for proposals.** (a) Responses submitted by a grantee are private or nonpublic until the responses are opened. Once the responses are opened, the name and address of the grantee and the amount requested is public. All other data in a response is private or nonpublic data until completion of the evaluation process. After a granting agency has completed the evaluation process, all remaining data in the responses is public with the exception of trade secret data as defined and classified in section 13.37. A statement by a grantee that the response is copyrighted or otherwise protected does not prevent public access to the response.

(b) If all responses are rejected prior to completion of the evaluation process, all data, other than that made public at the opening, remain private or nonpublic until a resolicitation of proposals results in completion of the evaluation process or a determination is made to abandon the grant. If the rejection occurs after the completion of the evaluation process, the data remain public. If a resolicitation of proposals does not occur within one year of the grant opening date, the remaining data become public.

Subd. 4. **Evaluation data.** (a) Data created or maintained by a granting agency as part of the evaluation process referred to in this section are protected nonpublic data until completion of the evaluation process at which time the data are public with the exception of trade secret data as defined and classified in section 13.37.

(b) If a granting agency asks individuals outside the granting agency to assist with the evaluation of the responses, the granting agency may share not public data in the responses with those individuals. The individuals participating in the evaluation may not further disseminate the not public data they review.

Sec. 42. Minnesota Statutes 2006, section 13.72, is amended by adding a subdivision to read:

Subd. 14. **Market research data; classification.** (a) Names, home addresses except for zip codes, home e-mail addresses, and home telephone numbers obtained for or received in response to a survey conducted by or on behalf of the Department of Transportation are classified as private data on individuals.

(b) Business names, business addresses except for zip codes, business e-mail addresses, and business telephone numbers obtained for or received in response to a survey conducted by or on behalf of the Department of Transportation are classified as nonpublic data.

Sec. 43. Minnesota Statutes 2006, section 13.72, is amended by adding a subdivision to read:

Subd. 15. **Overhead rate data.** Financial statements and lists of stockholders provided to the commissioner of transportation by a consultant in order to establish its overhead rate, and the schedule of audit adjustments and the overhead rate schedule prepared by the Department of Transportation in order to establish the overhead rate for a consultant are classified as nonpublic data or private data on individuals. The overhead rate percentage is public data.

Sec. 44. Minnesota Statutes 2006, section 13.72, is amended by adding a subdivision to read:

Subd. 16. **Bid escrow data.** Bid documentation held in escrow by the Department of Transportation is classified as nonpublic data. Any data on individuals in the bid documentation are classified as private data on individuals. "Bid documentation" means all writings, working papers, computer printout charts, and other data calculations used by a contractor to determine its bid in bidding for a contract. The bid documentation includes, but is not limited to, the contractor's costs for operating each piece of equipment owned by the contractor, the contractor's overhead costs and its calculated overhead rate, the contractor's pay rates for its employees, efficiency or productivity factors, arithmetic extensions, and the rates and quotations from subcontractors and material suppliers to the extent that the rates and quotations were used by the contractor in formulating and determining the amount of the bid.

Sec. 45. **[13.7908] BUREAU OF MEDIATION SERVICES DATA.**

Subdivision 1. **Representation data.** Authorization signatures or cards furnished in support of a petition filed or election conducted under sections 179.16, 179.18 to 179.25, and 179A.12, and ballots, prior to the time of tabulation, are classified as protected nonpublic data or confidential data on individuals.

Subd. 2. **Mediation data.** Data received or maintained by the staff or commissioner of the Bureau of Mediation Services during the course of providing mediation services to the parties to a labor dispute under chapter 179 are classified as protected nonpublic data or confidential data on individuals, except to the extent the commissioner of the Bureau of Mediation Services determines access to data is necessary to fulfill the requirements of section 179A.16 or to identify the general nature of or parties to a labor dispute.

Sec. 46. Minnesota Statutes 2006, section 13.861, subdivision 1, is amended to read:

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

(a) "Security service" means an organization that provides security services to a ~~state agency or political subdivision~~ government entity as a part of ~~the governmental~~ that entity or under contract to it. Security service does not include a law enforcement agency.

(b) "Security service data" means all data collected, created, or maintained by a security service for the purpose of providing security services.

Sec. 47. Minnesota Statutes 2006, section 13.87, subdivision 1, is amended to read:

Subdivision 1. **Criminal history data.** (a) **Definition.** For purposes of this subdivision, "criminal history data" means all data maintained in criminal history records compiled by the Bureau of Criminal Apprehension and disseminated through the criminal justice information system, including, but not limited to fingerprints, photographs, identification data, arrest data, prosecution data, criminal court data, custody and supervision data.

(b) **Classification.** Criminal history data maintained by agencies, political subdivisions and statewide systems are classified as private, pursuant to section 13.02, subdivision 12, except that data created, collected, or maintained by the Bureau of Criminal Apprehension that identify an individual who was convicted of a crime, the offense of which the individual was convicted, associated court disposition and sentence information, controlling agency, and confinement information are public data for 15 years following the discharge of the sentence imposed for the offense. When an innocent party's name is associated with a criminal history, and a determination has been made through a fingerprint verification that the innocent party is not the subject of the criminal history, the name may be redacted from the public criminal history data. The name shall be retained in the criminal history and classified as private data.

The Bureau of Criminal Apprehension shall provide to the public at the central office of the bureau the ability to inspect in person, at no charge, through a computer monitor the criminal conviction data classified as public under this subdivision.

(c) **Limitation.** Nothing in paragraph (a) or (b) shall limit public access to data made public by section 13.82.

Sec. 48. Minnesota Statutes 2006, section 13.87, subdivision 2, is amended to read:

Subd. 2. **Firearms data.** All data pertaining to the purchase or transfer of firearms and applications for permits to carry firearms which are collected by ~~state agencies, political subdivisions or statewide systems~~ government entities pursuant to sections 624.712 to 624.719 are classified as private, pursuant to section 13.02, subdivision 12.

Sec. 49. Minnesota Statutes 2006, section 13.87, is amended by adding a subdivision to read:

Subd. 5. **Parole and probation authority access to records.** Parole and county probation authorities may access data identified in subdivision 2 on an applicant or permit holder who is also a defendant, parolee, or probationer of a district court.

Sec. 50. **[13.873] CRIMNET.**

Subdivision 1. **Definitions.** For purposes of this section, "integrated search service" or "ISS" is a service operated by the Bureau of Criminal Apprehension which allows authorized users to search and view data that are stored on one or more databases maintained by criminal justice agencies, as defined in section 299C.46, subdivision 2.

Subd. 2. **Requests by data subject.** An individual may request that an ISS query to locate data about the individual be performed by state or local law enforcement agencies with ISS access. State and local law enforcement agencies with ISS access shall only provide:

(1) a list of the government entities that have provided public or private data about that individual through ISS; and

(2) data that describe what is maintained about the individual at each government entity on the list.

Subd. 3. **Bureau responsibilities.** The bureau must provide the following information at a public Internet site:

(1) a listing of all law enforcement agencies with ISS access; and

(2) information for individual data subjects on how to challenge the accuracy or completeness of data pursuant to section 13.04, subdivision 4.

Sec. 51. Minnesota Statutes 2006, section 84.0274, subdivision 5, is amended to read:

Subd. 5. **Owner's rights.** When the state proposes to purchase in fee or any lesser interest in land which will be administered by the commissioner of natural resources, the landowner shall have the following rights:

(a) The right to be informed of the specific intended use of the property and of any change in the intended use of the property which occurs during the acquisition process. The owner shall also be informed that the documents regarding the purchase will be public records if the land is purchased by the state;

(b) The right to be paid a fair price for the property. The price shall include the fair market value of the land plus:

(1) All necessary incidental costs such as abstracting and recording fees related to the sale. The costs of clearing title defects, paying taxes, and attorney's fees are not reimbursable; and

(2) Any penalties incurred by the owner where the property is security for a loan or advance of credit that contains a provision requiring or permitting the imposition of a penalty if the loan or advance of credit is prepaid;

(c) The right to payment, at the owner's election, in a lump sum or in up to four annual installments;

(d) The right to have the property fairly appraised by the state. The state's appraiser shall physically inspect the property and shall allow the owner along when the appraisal is made. The state's appraiser shall certify in the appraisal report to having physically inspected the property and having given the landowner an opportunity to go along on inspections. ~~Notwithstanding section 13.44, subdivision 3, before an offer is made, the landowner shall be given a resume of the state's certified appraisal. The resume shall include the appraiser's conclusions as to value, acreage and type of land, value of buildings and other improvements, value of timber, special damages and any special elements of value~~ informed of the value determined pursuant to section 84.0272;

(e) The right to retain a qualified independent appraiser to conduct an appraisal at any time prior to certification of the state's appraisal of the property and to be reimbursed for appraisal fees as provided in section 117.232, subdivision 1, if the land is sold to the state and to have that appraisal considered along with the state's in certifying the selling price;

(f) The right to have the state acquire the property by means of condemnation upon the owner's request with the agreement of the commissioner;

(g) The right to receive or waive relocation assistance, services, payments and benefits as provided in sections 117.52 and 117.521;

(h) The right to accept the state's offer for the property and contest the state's offer for relocation and moving expenses;

(i) The right to continue occupancy of the property until full payment is received, provided that when the owner elects to receive payment in annual installments pursuant to clause (c), the owner may retain occupancy until the first payment is made; and

(j) The right to seek the advice of counsel regarding any aspect of the land transaction.

Sec. 52. Minnesota Statutes 2006, section 122A.33, subdivision 3, is amended to read:

Subd. 3. **Notice of nonrenewal; opportunity to respond.** A school board that declines to renew the coaching contract of a licensed or nonlicensed head varsity coach must notify the coach within 14 days of that decision. If the coach requests reasons for not renewing the coaching contract, the board must give the coach its reasons in writing within ten days of receiving the request. Upon request, the board must provide the coach with a reasonable opportunity to respond to the reasons at a board meeting. The hearing may be opened or closed at the election of the coach unless the board closes the meeting under section 13D.05, subdivision 2, to discuss ~~nonpublic~~ private data.

Sec. 53. Minnesota Statutes 2006, section 171.07, subdivision 1a, is amended to read:

Subd. 1a. **Filing photograph or image; data classification.** The department shall file, or contract to file, all photographs or electronically produced images obtained in the process of issuing drivers' licenses or Minnesota identification cards. The photographs or electronically produced images shall be private data pursuant to section 13.02, subdivision 12. Notwithstanding section 13.04, subdivision 3, the department shall not be required to provide copies of photographs or electronically produced images to data subjects. The use of the files is restricted:

(1) to the issuance and control of drivers' licenses;

(2) ~~for law enforcement purposes in the investigation and prosecution of crimes; and to criminal justice agencies, as defined in section 299C.46, subdivision 2, for the investigation and prosecution of crimes, service of process, location of missing persons, investigation and preparation of cases for criminal, juvenile, and traffic court, and supervision of offenders;~~

(3) ~~for to public defenders, as defined in section 611.272, for the investigation and preparation of cases for criminal, juvenile, and traffic courts; and~~

(4) to child support enforcement purposes under section 256.978.

Sec. 54. Minnesota Statutes 2006, section 270B.01, subdivision 8, is amended to read:

Subd. 8. **Minnesota tax laws.** For purposes of this chapter only, unless expressly stated otherwise, "Minnesota tax laws" means:

(1) the taxes, refunds, and fees administered by or paid to the commissioner under chapters 115B, 289A (except taxes imposed under sections 298.01, 298.015, and 298.24), 290, 290A, 291, 295, 297A, 297B, and 297H, or any similar Indian tribal tax administered by the commissioner pursuant to any tax agreement between the state and the Indian tribal government, and includes any laws for the assessment, collection, and enforcement of those taxes, refunds, and fees; and

(2) section 273.1315.

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

Sec. 55. Minnesota Statutes 2006, section 270B.02, subdivision 3, is amended to read:

Subd. 3. **Confidential data on individuals; protected nonpublic data.** (a) Except as provided in paragraph (b), the name or existence of an informer, informer letters, and other data, in whatever form, given to the Department of Revenue by a person, other than the data subject, who informs that a specific person is not or may not be in compliance with tax laws, or nontax laws administered by the Department of Revenue, including laws ~~other than those relating to property taxes~~ not listed in section 270B.01, subdivision 8, are confidential data on individuals or protected nonpublic data as defined in section 13.02, subdivisions 3 and 13. This paragraph does not apply to laws relating to property taxes.

(b) Data under paragraph (a) may be disclosed with the consent of the informer or upon a written finding by a court that the information provided by the informer was false and that there is evidence that the information was provided in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the Rules of Criminal Procedure.

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

Sec. 56. Minnesota Statutes 2006, section 270B.085, is amended by adding a subdivision to read:

Subd. 3. **Collection of nontax debt.** The commissioner may use return information for the purpose of collecting debts referred to the commissioner under chapter 16D.

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

Sec. 57. Minnesota Statutes 2006, section 270B.14, subdivision 3, is amended to read:

Subd. 3. **Administration of enterprise, job opportunity, and biotechnology and health sciences industry zone program programs.** The commissioner may disclose return information relating to the taxes imposed by chapters 290 and 297A to the Department of Employment and Economic Development or a municipality receiving an enterprise zone designation under section 469.169 but only as necessary to administer the funding limitations under section 469.169, subdivision 7, or to the Department of Employment and Economic Development and appropriate officials from the local government units in which a qualified business is located but only as necessary to enforce the job opportunity building zone benefits under section 469.315, or biotechnology and health sciences industry zone benefits under section 469.336.

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

Sec. 58. Minnesota Statutes 2006, section 273.1315, is amended to read:

**273.1315 CERTIFICATION OF CLASS 1B PROPERTY.**

**Subdivision 1. Class 1b homestead declaration before 2008.** Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), on or before October 1, 2007, shall file with the commissioner of revenue a 1b homestead declaration, on a form prescribed by the commissioner. The declaration shall contain the following information:

(a) the information necessary to verify that on or before June 30 of the filing year, the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for 1b classification; and

(b) any additional information prescribed by the commissioner.

The declaration must be filed on or before October 1 to be effective for property taxes payable during the succeeding calendar year. The declaration and any supplementary information received from the property owner pursuant to this section shall be subject to chapter 270B. If approved by the commissioner, the declaration remains in effect until the property no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the commissioner within 30 days that the property no longer qualifies under that paragraph because of a sale, change in occupancy, or change in the status or condition of an occupant shall result in the penalty provided in section 273.124, subdivision 13, computed on the basis of the class 1b benefits for the property, and the property shall lose its current class 1b classification.

The commissioner shall provide to the assessor on or before November 1 a listing of the parcels of property qualifying for 1b classification.

**Subd. 2. Class 1b homestead declaration 2008 and thereafter.** Any property owner seeking classification and assessment of the owner's homestead as class 1b property pursuant to section 273.13, subdivision 22, paragraph (b), after October 1, 2007, shall file with the county assessor a class 1b homestead declaration, on a form prescribed by the commissioner of revenue. The declaration must contain the following information:

(1) the information necessary to verify that, on or before June 30 of the filing year, the property owner or the owner's spouse satisfies the requirements of section 273.13, subdivision 22, paragraph (b), for class 1b classification; and

(2) any additional information prescribed by the commissioner.

The declaration must be filed on or before October 1 to be effective for property taxes payable during the succeeding calendar year. The Social Security numbers and income and medical information received from the property owner pursuant to this section are private data on individuals as defined in section 13.02. If approved by the assessor, the declaration remains in effect until the property no longer qualifies under section 273.13, subdivision 22, paragraph (b). Failure to notify the assessor within 30 days that the property no longer qualifies under that paragraph because of a sale, change in occupancy, or change in the status or condition of an occupant shall result in the penalty provided in section 273.124, subdivision 13, computed on the basis of the class 1b benefits for the property, and the property shall lose its current class 1b classification.

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

Sec. 59. Minnesota Statutes 2006, section 325E.59, subdivision 1, is amended to read:

Subdivision 1. **Generally.** (a) A person or entity, not including a government entity, may not do any of the following:

(1) publicly post or publicly display in any manner an individual's Social Security number. "Publicly post" or "publicly display" means to intentionally communicate or otherwise make available to the general public;

(2) print an individual's Social Security number on any card required for the individual to access products or services provided by the person or entity;

(3) require an individual to transmit the individual's Social Security number over the Internet, unless:

(i) the connection is secure or the Social Security number is encrypted; and

(ii) the Social Security number is necessary to the transaction.

except as required by titles XVIII and XIX of the Social Security Act and by Code of Federal Regulations, title 42, section 483.20;

(4) require an individual to use the individual's Social Security number to access an Internet Web site, unless a password or unique personal identification number or other authentication device is also required to access the Internet Web site;

~~(5) print a number that the person or entity knows to be an individual's Social Security number on any materials that are mailed to the individual, unless state or federal law requires the Social Security number to be on the document to be mailed. If, in connection with a transaction involving or otherwise relating to an individual, a person or entity receives a number from a third party, that person or entity is under no duty to inquire or otherwise determine whether the number is or includes that individual's Social Security number and may print that number on materials mailed to the individual, unless the person or entity receiving the number has actual knowledge that the number is or includes the individual's Social Security number;~~ (5) send or cause to be sent or delivered any letter, envelope, or package that displays a Social Security number on the face of the mailing envelope or package, or from which a Social Security number is visible, whether on the outside or inside of the mailing envelope or package. A person is further prohibited from printing a number that the person or entity knows to be an individual's Social Security number on any materials that are mailed to the individual, unless state or federal law requires the Social Security number to be on the document to be mailed or as part of applications and forms sent by mail, including documents sent as part of an application or enrollment process, or to establish, amend, administer, or terminate an account, contract, or policy, or to confirm the accuracy of the Social Security number;

(6) assign or use a number as the primary account identifier that is identical to or incorporates an individual's complete Social Security number;~~or~~

(7) sell Social Security numbers obtained from individuals in the course of business. Nothing in this clause prohibits the sale, transfer, or disclosure of an individual's Social Security number to a third party if the sale, transfer, or disclosure (i) has no independent economic value and is incidental to a larger transaction and (ii) is necessary for the purpose of verifying the identity of the individual;

(8) lease, loan, trade, or rent an individual's Social Security number to a nonaffiliated third party, unless (i) the person or entity has the written consent to the disclosure from the individual, or (ii) the disclosure is required or authorized by federal or state law. Nothing in this clause prohibits the sale, transfer, or disclosure of an individual's Social Security number to a third party if the sale, transfer, or disclosure has no independent economic value and is incidental to a larger transaction and is necessary for the purpose of verifying the identity of the individual; or

(9) refuse to do business with an individual because the individual will not consent to the disclosure of, or provide, the individual's Social Security number, unless in connection with the transaction;

(i) the person or entity has a permissible purpose to obtain the individual's credit report under section 604 of the federal Fair Credit Reporting Act, United States Code, title 15, section 1681(b);

(ii) the person or entity is expressly required or authorized by federal or state law to obtain the individual's Social Security number;

(iii) the person or entity has a reasonable basis to believe that the individual is using a false identity or false documents; or

(iv) the business transaction cannot otherwise be completed without the individual's Social Security number.

~~Notwithstanding clauses (1) to (5), Social Security numbers may be included in applications and forms sent by mail, including documents sent as part of an application or enrollment process, or to establish, amend, or terminate an account, contract, or policy, or to confirm the accuracy of the Social Security number. Nothing in this paragraph authorizes inclusion of a Social Security number on the outside of a mailing or in the bulk mailing of a credit card solicitation offer.~~

(b) A person or entity, not including a government entity, must restrict access to individual Social Security numbers it holds so that only employees who require the numbers in order to perform their job duties have access to the numbers, except as required by titles XVIII and XIX of the Social Security Act and by Code of Federal Regulations, title 42, section 483.20.

~~(c) Except as provided in subdivision 2, this section applies only to the use of Social Security numbers on or after July 1, 2007.~~

Sec. 60. Minnesota Statutes 2006, section 325E.59, is amended by adding a subdivision to read:

Subd. 6. **Penalties and remedies.** A person violating this section is subject to the penalties and remedies in section 8.31.

Sec. 61. **[473.1291] CLASSIFICATION OF CERTAIN LABOR RELATIONS DATA.**

Notwithstanding section 13.37, the Metropolitan Council may classify all or any portion of a management or employee organization position or proposal on economic or noneconomic items that has been presented by either party during the collective bargaining process with the Amalgamated Transit Union, as the exclusive representative of a portion of the council's employees, as nonpublic data under section 13.02, subdivision 9. The collective bargaining process includes, without limitation, any mediation that occurs during the process. The Amalgamated Transit Union constitutes the subject of the data for the purposes of the definition of nonpublic data. The council may only make such a classification with the written concurrence of the union. The council may, at its sole discretion, withdraw the classification at any time and nothing in this section may be construed to limit or control release of the described data by the union. Any data classified as nonpublic under this section becomes public after the contract resulting from the collective bargaining process is executed by both parties.

This section applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 62. **REPEALER.**

(a) Minnesota Statutes 2006, section 13.79, subdivision 2, is repealed.

(b) Minnesota Statutes 2006, section 325E.59, subdivision 2, is repealed.

Sec. 63. **EFFECTIVE DATE.**

Sections 10 and 61 are effective the day following final enactment and apply to positions or proposals presented before or after the effective date which have not previously been released to the public. Sections 59, 60, and 62, paragraph (b), are effective July 1, 2007."

Delete the title and insert:

"A bill for an act relating to government data practices; providing for parole and probation authorities to have access to certain records; modifying landowners' bill of rights; modifying data practices provisions in the Department of Labor and Industry; classifying certain transportation department data; classifying certain labor relations data related to the Metropolitan Council as nonpublic data; requiring state and local law enforcement agencies to provide certain information; clarifying duties and classifications; making technical changes; modifying damages for liability; authorizing an innocent party's name associated with a criminal history to be redacted under certain circumstances; amending Minnesota Statutes 2006, sections 13.02, subdivisions 8, 11; 13.03, subdivision 4; 13.04, subdivisions 3, 4; 13.05, subdivision 10; 13.072, subdivision 1; 13.08, subdivisions 1, 4; 13.202, subdivision 11; 13.32, subdivision 5; 13.35; 13.355, subdivision 1; 13.384, subdivisions 1, 2; 13.39, subdivisions 1, 2, 2a, 3; 13.392, subdivision 1; 13.393; 13.40, subdivisions 1, 3; 13.41, subdivision 3; 13.43, subdivisions 2, 5, 7, 9, 10, 11; 13.435; 13.44, subdivisions 1, 2, 3; 13.462, subdivisions 1, 2, 3; 13.48; 13.552, subdivision 3; 13.591, subdivision 4; 13.72, by adding subdivisions; 13.861, subdivision 1; 13.87, subdivisions 1, 2, by adding a subdivision; 84.0274, subdivision 5; 122A.33, subdivision 3; 171.07, subdivision 1a; 270B.01, subdivision 8; 270B.02, subdivision 3; 270B.085, by adding a subdivision; 270B.14, subdivision 3; 273.1315; 325E.59, subdivision 1, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 13; 473; repealing Minnesota Statutes 2006, sections 13.79, subdivision 2; 325E.59, 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. 1396, A bill for an act relating to guardians and conservators; changing certain requirements and procedures; amending Minnesota Statutes 2006, sections 245.91, by adding subdivisions; 245.94, subdivisions 1, 3, 4; 524.5-316; 524.5-502.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **STUDY.**

The state court administrator shall convene a study group to make recommendations to the legislature regarding the following areas of conservatorship and guardianship: the rights of wards and protected persons; powers and duties of conservators and guardians; certification and registration; prescreening and diversion from guardianship or conservatorship; complaint processes; training; financial auditing; and reimbursement of attorneys, guardians, and conservators. Membership in the study group shall include but not be limited to representatives from: probate courts in the metropolitan area and greater Minnesota; county adult protection services; the Minnesota Bar Association; the Department of Veterans Affairs; the Minnesota Association for Guardianship and Conservatorship; the National Guardianship Association; agencies providing guardianship and conservatorship services; organizations providing training for guardians and conservators; the offices of the ombudsman for mental health and developmental disabilities and the long-term care ombudsman; and advocates for seniors and for people with a range of disabilities, including developmental disabilities, mental illness, and traumatic brain injuries.

The study group shall make a report to the house and senate committees having jurisdiction over the state courts by January 15, 2008."

Delete the title and insert:

"A bill for an act relating to guardians and conservators; requiring a study to make recommendations regarding conservatorship and guardianship."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1401, A bill for an act relating to human services; establishing a reverse mortgage incentive program; establishing eligibility standards, benefits, and other requirements; appropriating money; amending Minnesota Statutes 2006, sections 47.58, subdivision 8; 256.01, by adding a subdivision; 256.975, subdivision 7; 256B.0911, subdivisions 1a, 3a; 256B.0913, by adding a subdivision; 256B.15, by adding a subdivision; 462A.05, by adding a subdivision.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1418, A bill for an act relating to natural resources; modifying rulemaking authority; modifying authority to designate infested waters; modifying water supply plan requirements; modifying state park permit provisions; extending expiration of the Mineral Coordinating Committee; amending Minnesota Statutes 2006, sections 84.027, by adding a subdivision; 84D.03, subdivision 1; 84D.12, subdivisions 1, 3; 85.053, subdivisions 2, 8; 93.0015, subdivision 3; 103G.291, subdivision 3; 473.1565, subdivision 1; 473.859, subdivision 3; repealing Laws 2006, chapter 273, section 2.

Reported the same back with the following amendments:

Page 6, line 18, delete "273" and insert "236, article 1"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1472, A bill for an act relating to gambling; providing for compulsive gambling education, treatment, and assessment; providing for a study on the social and economic costs of gambling; appropriating money; amending Minnesota Statutes 2006, sections 240.15, subdivision 6; 245.98, subdivision 5; 297A.94; 609.115, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 297E.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 245.98, subdivision 2, is amended to read:

Subd. 2. **Program.** The commissioner of human services shall establish a program for the treatment of compulsive gamblers. The commissioner may contract with an entity with expertise regarding the treatment of compulsive gambling to operate the program. The program may include the establishment of a statewide toll-free number, resource library, public education programs; regional in-service training programs and conferences for health care professionals, educators, treatment providers, employee assistance programs, and criminal justice representatives; and the establishment of certification standards for programs and service providers. The commissioner may enter into agreements with other entities and may employ or contract with consultants to facilitate the provision of these services or the training of individuals to qualify them to provide these services. The program may also include inpatient and outpatient treatment and rehabilitation services and for residents in a temporary or permanent residential setting for mental health or chemical dependency, and individuals in jails or correctional facilities. The program may also include research studies. The research studies must include baseline and prevalence studies for adolescents and adults to identify those at the highest risk. The program must be approved by the commissioner before it is established.

Sec. 2. Minnesota Statutes 2006, section 245.98, subdivision 5, is amended to read:

Subd. 5. **Standards.** The commissioner shall create standards for treatment and provider qualifications for the treatment component of the compulsive gambling program. The commissioner, in coordination with the commissioner of corrections, shall create standards for the assessment and treatment of compulsive gamblers in programs operated by the commissioner of corrections.

Sec. 3. Minnesota Statutes 2006, section 609.115, subdivision 9, is amended to read:

Subd. 9. **Compulsive gambling assessment required.** (a) If a person is convicted of theft under section 609.52, embezzlement of public funds under section 609.54, or forgery under section 609.625, 609.63, or 609.631, the probation officer shall determine in the report prepared under subdivision 1 whether or not compulsive gambling contributed to the commission of the offense. If so, the report shall contain the results of a compulsive gambling assessment conducted in accordance with this subdivision. The probation officer shall make an appointment for the offender to undergo the assessment if so indicated.

(b) The compulsive gambling assessment report must include a recommended level of treatment for the offender if the assessor concludes that the offender is in need of compulsive gambling treatment. The assessment must be conducted by an assessor qualified under section 245.98, subdivision 2a, to perform these assessments or to provide compulsive gambling treatment. An assessor providing a compulsive gambling assessment may not have any direct or shared financial interest or referral relationship resulting in shared financial gain with a treatment provider. If an independent assessor is not available, the probation officer may use the services of an assessor with a financial interest or referral relationship as authorized under rules adopted by the commissioner of human services under section 245.98, subdivision 2a.

(c) The commissioner of human services shall reimburse the assessor for the costs associated with a compulsive gambling assessment at a rate established by the commissioner up to a maximum of \$100 for each assessment. To the extent practicable, the commissioner shall standardize reimbursement rates for assessments. The commissioner shall reimburse these costs after receiving written verification from the probation officer that the assessment was performed and found acceptable.

Sec. 4. **SOCIAL AND ECONOMIC COSTS OF GAMBLING.**

Subdivision 1. **Report.** The commissioner of human services, in consultation with the state affiliate of the National Council on Problem Gambling, stakeholders, and licensed vendors, shall prepare a report that provides a process and funding mechanism to study the issues in subdivisions 2 and 3. The commissioner, in consultation with the state affiliate of the National Council on Problem Gambling, stakeholders, and licensed vendors, shall include in the report potential financial commitments made by stakeholders and others in order to fund the study. The report is due to the legislative committees having jurisdiction over compulsive gambling issues by December 1, 2007.

Subd. 2. **Issues to be addressed.** The study must address:

(1) state, local, and tribal government policies and practices in Minnesota to legalize or prohibit gambling;

(2) the relationship between gambling and crime in Minnesota, including: (i) the relationship between gambling and overall crime rates; (ii) the relationship between gambling and crimes rates for specific crimes, such as forgery, domestic abuse, child neglect and abuse, alcohol and drug offenses, and youth crime; and (iii) enforcement and regulation practices that are intended to address the relationship between gambling and levels of crime;

(3) the relationship between expanded gambling and increased rates of problem gambling in Minnesota, including the impact of pathological or problem gambling on individuals, families, businesses, social institutions, and the economy;

(4) the social impact of gambling on individuals, families, businesses, and social institutions in Minnesota, including an analysis of the relationship between gambling and depression, abuse, divorce, homelessness, suicide, and bankruptcy;

(5) the economic impact of gambling on state, local, and tribal economies in Minnesota; and

(6) any other issues deemed necessary in assessing the social and economic impact of gambling in Minnesota.

Subd. 3. **Quantification of social and economic impact.** The study shall quantify the social and economic impact on both (1) state, local, and tribal governments in Minnesota, and (2) Minnesota's communities and social institutions, including individuals, families, and businesses within those communities and institutions.

Sec. 5. **APPROPRIATION.**

Subdivision 1. **Compulsive gambling.** \$300,000 in fiscal year 2008 is appropriated from the lottery prize fund to the commissioner of human services for purposes of compulsive gambling education, assessment, and treatment under Minnesota Statutes, section 245.98.

Subd. 2. **Study on the effectiveness of compulsive gambling treatment.** \$100,000 in fiscal year 2008 is appropriated to the commissioner of human services to continue the study currently being done on compulsive gambling treatment effectiveness and long-term effects of gambling."

Delete the title and insert:

"A bill for an act relating to gambling; providing for compulsive gambling education, treatment, and assessment; requiring a report; appropriating money; amending Minnesota Statutes 2006, sections 245.98, subdivisions 2, 5; 609.115, subdivision 9."

With the recommendation that when so amended 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. 1499, A bill for an act relating to commerce; enacting the Uniform Prudent Management of Institutional Funds Act approved and recommended by the National Conference of Commissions on Uniform State Law; proposing coding for new law in Minnesota Statutes, chapter 309; repealing Minnesota Statutes 2006, sections 309.62; 309.63; 309.64; 309.65; 309.66; 309.67; 309.68; 309.69; 309.70; 309.71.

Reported the same back with the following amendments:

Page 4, delete lines 26 to 36

Amend the title as follows:

Page 1, line 4, delete "Commissions" and insert "Commissioners" and delete "Law" and insert "Laws"

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. 1500, A bill for an act relating to family law; making child support policy clarifications and improvements; amending Minnesota Statutes 2006, sections 256.017, subdivisions 1, 6; 518.68, subdivision 2; 518A.28; 518A.32, subdivisions 1, 3, 5, 6; 518A.39, subdivision 2; 518A.40, subdivisions 1, 4; 518A.41, subdivisions 1, 2, 3, 4, 5, 12, 15, 16; 518A.42, subdivision 1; 518A.46, subdivision 5; 518A.75, subdivision 3; 541.04; 548.09, subdivision 1, by adding a subdivision; 548.091, subdivision 1a; 550.01; repealing Minnesota Statutes 2006, section 548.091, subdivision 3b.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, delete section 2

Page 7, line 22, delete "due to a verified disability" and insert "because a parent is physically or mentally incapacitated"

Page 7, after line 23, insert:

**"EFFECTIVE DATE.** This section is effective retroactively from January 1, 2007."

Page 9, line 6, delete "or"

Page 9, lines 8 to 10, reinstate the stricken language and delete the new language

Page 17, lines 27 and 30, delete "or spousal maintenance"

Page 20, delete sections 20 and 21

Pages 24 to 27, delete sections 23 to 28

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1543, A resolution memorializing the President and Congress to replace the Fast Track Trade Authority system.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1554, A bill for an act relating to employment; regulating payroll cards; amending Minnesota Statutes 2006, section 177.255; Laws 2005, chapter 158, section 4.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Laws 2005, chapter 158, section 4, is amended to read:

Sec. 4. **EFFECTIVE DATE; TERMINATION.**

This act is effective the day following final enactment. The amendments made by section 1, and sections 2 and 3 expire May 31, ~~2007~~ 2008.

Sec. 2. **EFFECTIVE DATE.**

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to employment; extending laws governing payroll card accounts; amending Laws 2005, chapter 158, section 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1576, A bill for an act relating to human services; requiring a quality of care impact statement prior to contracting for basic health care services to persons with disabilities; amending Minnesota Statutes 2006, section 256B.69, subdivision 28.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 256B.69, subdivision 28, is amended to read:

Subd. 28. **Medicare special needs plans; medical assistance basic health care.** (a) The commissioner may contract with qualified Medicare-approved special needs plans to provide medical assistance basic health care services to persons with disabilities, including those with developmental disabilities. Basic health care services include:

(1) those services covered by the medical assistance state plan except for ICF/MR services, home and community-based waiver services, case management for persons with developmental disabilities under section 256B.0625, subdivision 20a, and personal care and certain home care services defined by the commissioner in consultation with the stakeholder group established under paragraph (d); and

(2) basic health care services may also include risk for up to 100 days of nursing facility services for persons who reside in a noninstitutional setting and home health services related to rehabilitation as defined by the commissioner after consultation with the stakeholder group.

The commissioner may exclude other medical assistance services from the basic health care benefit set. Enrollees in these plans can access any excluded services on the same basis as other medical assistance recipients who have not enrolled.

Unless a person is otherwise required to enroll in managed care, enrollment in these plans for Medicaid services must be voluntary. For purposes of this subdivision, automatic enrollment with an option to opt out is not voluntary enrollment.

(b) Beginning January 1, 2007, the commissioner may contract with qualified Medicare special needs plans to provide basic health care services under medical assistance to persons who are dually eligible for both Medicare and Medicaid and those Social Security beneficiaries eligible for Medicaid but in the waiting period for Medicare. The commissioner shall consult with the stakeholder group under paragraph ~~(d)~~ (e) in developing program specifications for these services. The commissioner shall report to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance by February 1, 2007, on implementation of these programs and the need for increased funding for the ombudsman for managed care and other consumer assistance and protections needed due to enrollment in managed care of persons with disabilities. Payment for Medicaid services provided under this subdivision for the months of May and June will be made no earlier than July 1 of the same calendar year.

(c) Beginning January 1, 2008, the commissioner may expand contracting under this subdivision to all persons with disabilities not otherwise required to enroll in managed care.

(d) By February 1, 2009, the commissioner shall report to the chairs of the house and senate committees with jurisdiction over health and human services policy and finance on the initial results of implementation of contracts with qualified Medicare special needs plans to provide basic health care services under medical assistance to persons who are dually eligible for both Medicare and Medicaid. This report shall include an overall assessment of the impact on quality of care including actual costs and benefits.

(e) The commissioner shall establish a state-level stakeholder group to provide advice on managed care programs for persons with disabilities, including both MnDHO and contracts with special needs plans that provide basic health care services as described in paragraphs (a) and (b). The stakeholder group shall include representatives of the counties and labor organizations representing county social service workers, members, consumer advocates, and providers, and provide advice on program expansions under this subdivision and subdivision 23, including:

- (1) implementation efforts;
- (2) consumer protections; ~~and~~
- (3) program specifications such as quality assurance measures, data collection and reporting, and evaluation of costs, quality, and results; and
- (4) county safety net protections for persons with disabilities.

~~(e)~~ (f) Each plan under contract to provide medical assistance basic health care services shall establish a local or regional stakeholder group, including representatives of the counties covered by the plan and labor organizations representing county social service workers, members, consumer advocates, and current providers, for advice on issues that arise in the local or regional area."

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. 1577, A bill for an act relating to human services; modifying licensing provisions; modifying data practices; changing education and training requirements; requiring pandemic planning; modifying sanctions, suspensions, revocations and disqualifications; changing appeal procedures; requiring procedures to reduce sudden infant death syndrome; requiring CPR training; establishing criteria for alleged maltreatment; changing background study requirements; amending Minnesota Statutes 2006, sections 13.46, subdivisions 2, 4; 245A.03, subdivision 2; 245A.04, subdivision 11, by adding subdivisions; 245A.06, subdivision 4; 245A.07, subdivisions 2a, 3, by adding a subdivision; 245A.08, subdivision 2a; 245A.14, subdivision 8; 245A.144; 245A.1445; 245A.145, subdivision 1; 245A.18, subdivision 2; 245A.65, subdivision 1, by adding a subdivision; 245C.02, by adding a subdivision; 245C.05, subdivision 3; 245C.07; 245C.08; 245C.09, subdivision 1; 245C.11, by adding a subdivision; 245C.13, subdivision 2; 245C.15, subdivisions 1, 2, 3, 4; 245C.16, subdivision 1; 245C.17, subdivisions 2, 3; 245C.21, subdivisions 2, 3; 245C.22, subdivisions 4, 5; 245C.24, subdivision 3; 245C.27, subdivision 1; 245C.28, subdivision 1; 245C.301; 270B.14, subdivision 1; 626.556, subdivisions 2, 10e, 10i; 626.557, subdivisions 9c, 9d; 626.5572, subdivision 17; proposing coding for new law in Minnesota Statutes, chapter 245A; repealing Minnesota Statutes 2006, sections 245A.023; 245A.14, subdivisions 7, 9, 9a, 12, 13; 245C.06; Minnesota Rules, parts 9502.0385; 9503.0035.

Reported the same back with the following amendments:

Page 35, line 6, strike "a felony" and insert "an"

Page 35, after line 33, insert:

"(e) If the individual studied commits one of the offenses listed in paragraph (a) that is specified as a felony-level only offense, but the sentence or level of offense is a gross misdemeanor or misdemeanor, the individual is disqualified but the disqualification look-back period for the offense is the period applicable to gross misdemeanor or misdemeanor offenses."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1590, A bill for an act relating to health; authorizing a Regional Children's Mental Health Initiative pilot project; developing an enhanced regional children's mental health service system; appropriating money.

Reported the same back with the recommendation that 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. 1595, A bill for an act relating to civil actions; statutory housing warranties; regulating recovery for breaches; amending Minnesota Statutes 2006, section 327A.05.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1599, A bill for an act relating to unemployment insurance; providing eligibility for unemployment benefits and extra benefits for certain mechanics involved in a labor dispute with Northwest Airlines, Inc.

Reported the same back with the recommendation that 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. 1609, A bill for an act relating to employment; protecting certain employee statements from employer retaliation; establishing complaint procedures; establishing investigative jurisdiction for the commissioner of labor and industry; creating civil penalties; amending Minnesota Statutes 2006, sections 177.27, subdivisions 4, 5, by adding a subdivision; 181.932, subdivision 1; 181.935; proposing coding for new law in Minnesota Statutes, chapters 177; 181.

Reported the same back with the following amendments:

Page 3, line 22, after "official" insert "and the alleged violation involves a matter of public concern, including, but not limited to, violations that create a specific danger to the public health, safety, or environment"

Page 3, line 27, after "law" insert "which violation the employee reasonably believes is a matter of public concern, including, but not limited to, violations that create a specific danger to the public health, safety, or environment"

With the recommendation that when so amended 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. 1663, A bill for an act relating to environment; modifying provisions for regulating genetically engineered organisms; requiring a wild rice study; amending Minnesota Statutes 2006, sections 116C.92; 116C.94, subdivision 1; 116C.97, subdivision 2.

Reported the same back with the recommendation that 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. 1694, A bill for an act relating to education; providing for teacher training to better integrate the use of learning technologies into K-12 classrooms; appropriating money.

Reported the same back with the recommendation that 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. 1704, A bill for an act relating to motor vehicles; requiring motor vehicle collision repair to include air bag repair or replacement; providing criminal penalties; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1712, A bill for an act relating to insurance; regulating certain rental vehicle coverage; amending Minnesota Statutes 2006, section 65B.49, subdivision 5a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 65B.49, subdivision 5a, is amended to read:

Subd. 5a. **Rental vehicles.** (a) Every plan of reparation security, wherever issued, insuring a natural person as named insured, covering private passenger vehicles as defined under section 65B.001, subdivision 3, and pickup trucks and vans as defined under section 168.011 must: (1) provide that all of the obligation for damage and loss of use to a rented private passenger vehicle, including pickup trucks and vans as defined under section 168.011, and rented trucks with a registered gross vehicle weight of 26,000 pounds or less would be covered by the property

damage liability portion of the plan; and (2) extend the plan's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverages to the operation or use of the rented motor vehicle. This subdivision does not apply to plans of reparation security covering only motor vehicles registered under section 168.10, subdivision 1a, 1b, 1c, or 1d, or recreational vehicles as defined under section 168.011. The obligation of the plan must not be contingent on fault or negligence. In all cases where the plan's property damage liability coverage is less than \$35,000, the coverage available under the subdivision must be \$35,000. Other than as described in this paragraph ~~or in paragraph (i), clause (2); or paragraph (j)~~, nothing in this section amends or alters the provisions of the plan of reparation security as to primacy of the coverages in this section.

(b) A vehicle is rented for purposes of this subdivision:

(1) if the rate for the use of the vehicle is determined on a monthly, weekly, or daily basis; or

(2) during the time that a vehicle is loaned as a replacement for a vehicle being serviced or repaired regardless of whether the customer is charged a fee for the use of the vehicle.

A vehicle is not rented for the purposes of this subdivision if the rate for the vehicle's use is determined on a period longer than one month or if the term of the rental agreement is longer than one month. A vehicle is not rented for purposes of this subdivision if the rental agreement has a purchase or buyout option or otherwise functions as a substitute for purchase of the vehicle.

(c) The policy or certificate issued by the plan must inform the insured of the application of the plan to private passenger rental vehicles, including pickup trucks and vans as defined under section 168.011, and that the insured may not need to purchase additional coverage from the rental company.

(d) Where an insured has two or more vehicles covered by a plan or plans of reparation security containing the rented motor vehicle coverage required under paragraph (a), the insured may select the plan the insured wishes to collect from and that plan is entitled to a pro rata contribution from the other plan or plans based upon the property damage limits of liability. If the person renting the motor vehicle is also covered by the person's employer's insurance policy or the employer's automobile self-insurance plan, the reparation obligor under the employer's policy or self-insurance plan has primary responsibility to pay claims arising from use of the rented vehicle.

(e) A notice advising the insured of rental vehicle coverage must be given by the reparation obligor to each current insured with the first renewal notice after January 1, 1989. The notice must be approved by the commissioner of commerce. The commissioner may specify the form of the notice.

(f) When a motor vehicle is rented in this state, there must be attached to the rental contract a separate form containing a written notice in at least 10-point bold type, if printed, or in capital letters, if typewritten, which states:

Under Minnesota law, a personal automobile insurance policy issued in Minnesota must: (1) cover the rental of this motor vehicle against damage to the vehicle and against loss of use of the vehicle; and (2) extend the policy's basic economic loss benefits, residual liability insurance, and uninsured and underinsured motorist coverages to the operation or use of a rented motor vehicle. Therefore, purchase of any collision damage waiver or similar insurance affected in this rental contract is not necessary ~~if your policy was issued in Minnesota.~~ In addition, purchase of any additional liability insurance is not necessary if your policy was issued in Minnesota unless you wish to have coverage for liability that exceeds the amount specified in your personal automobile insurance policy.

No collision damage waiver or other insurance offered as part of or in conjunction with a rental of a motor vehicle may be sold unless the person renting the vehicle provides a written acknowledgment that the above consumer protection notice has been read and understood.

(g) When damage to a rented vehicle is covered by a plan of reparation security as provided under paragraph (a), the rental contract must state that payment by the reparation obligor within the time limits of section 72A.201 is acceptable, and prior payment by the renter is not required.

(h) Compensation for the loss of use of a damaged rented motor vehicle is limited to a period no longer than 14 days.

(i)(1) For purposes of this ~~paragraph~~ subdivision, "rented motor vehicle" means a rented vehicle described in paragraph (a), using the definition of "rented" provided in paragraph (b).

(2) Notwithstanding section 169.09, subdivision 5a, an owner of a rented motor vehicle is not vicariously liable for legal damages resulting from the operation of the rented motor vehicle in an amount greater than \$100,000 because of bodily injury to one person in any one accident and, subject to the limit for one person, \$300,000 because of injury to two or more persons in any one accident, and \$50,000 because of injury to or destruction of property of others in any one accident, if the owner of the rented motor vehicle has in effect, at the time of the accident, a policy of insurance or self-insurance, as provided in section 65B.48, subdivision 3, covering losses up to at least the amounts set forth in this paragraph. Nothing in this paragraph alters or affects the obligations of an owner of a rented motor vehicle to comply with the requirements of compulsory insurance through a policy of insurance as provided in section 65B.48, subdivision 2, or through self-insurance as provided in section 65B.48, subdivision 3, which policy of insurance or self-insurance must apply whenever the operator is not covered by a plan of reparation security as provided under paragraph (a); or with the obligations arising from section 72A.125 for products sold in conjunction with the rental of a motor vehicle. Nothing in this paragraph alters or affects liability, other than vicarious liability, of an owner of a rented motor vehicle.

(3) The dollar amounts stated in this paragraph shall be adjusted for inflation based upon the Consumer Price Index for all urban consumers, known as the CPI-U, published by the United States Bureau of Labor Statistics. The dollar amounts stated in this paragraph are based upon the value of that index for July 1995, which is the reference base index for purposes of this paragraph. The dollar amounts in this paragraph shall change effective January 1 of each odd-numbered year based upon the percentage difference between the index for July of the preceding year and the reference base index, calculated to the nearest whole percentage point. The commissioner shall announce and publish, on or before September 30 of the preceding year, the changes in the dollar amounts required by this paragraph to take effect on January 1 of each odd-numbered year. The commissioner shall use the most recent revision of the July index available as of September 1. Changes in the dollar amounts must be in increments of \$5,000, and no change shall be made in a dollar amount until the change in the index requires at least a \$5,000 change. If the United States Bureau of Labor Statistics changes the base year upon which the CPI-U is based, the commissioner shall make the calculations necessary to convert from the old base year to the new base year. If the CPI-U is discontinued, the commissioner shall use the available index that is most similar to the CPI-U.

(j) The plan of reparation security covering the owner of a rented motor vehicle is excess of any residual liability coverage insuring an operator of a rented motor vehicle ~~if the vehicle is loaned as a replacement for a vehicle being serviced or repaired, regardless of whether a fee is charged for use of the vehicle, provided that the vehicle so loaned is owned by the service or repair business.~~

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1719, A bill for an act relating to human services; modifying treatment of assets for medical assistance eligibility; amending Minnesota Statutes 2006, section 256B.059, subdivision 5.

Reported the same back with the following amendments:

Page 2, line 1, reinstate "Assets that exceed this allowance shall be"

Page 2, line 2, reinstate "considered available to the institutionalized spouse" and reinstate the period

With the recommendation that when so amended 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. 1729, A bill for an act relating to health; modifying health care provisions; changing health plan premium rate restrictions; establishing the Minnesota Health Insurance Exchange; requiring certain employers to offer Section 125 Plans; amending Minnesota Statutes 2006, sections 62A.65, subdivision 3; 62E.141; 62L.12, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 62A.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"ARTICLE 1

HEALTH INSURANCE EXCHANGE; SECTION 125 PLANS"

Page 4, line 1, before "Premium" insert "cafeteria or"

Page 4, line 2, before the period, insert "that allows employees to pay for health insurance premiums with pretax dollars"

Page 5, line 7, delete "does not offer a group"

Page 5, line 8, delete "health insurance plan as defined in section 62A.10, but does" and insert "is required to"

Page 5, line 9, delete "through the exchange"

Page 5, line 17, delete "renewed" and insert "nonrenewed"

Page 5, line 22, delete "offered" and insert "sold to individuals"

Page 5, line 26, delete "set up an employer" and insert "establish" and delete "Plan" and insert "plans"

Page 5, after line 27, insert:

"(3) provide education and assistance to employers to help them understand the requirements of Section 125 plans and compliance with applicable regulations:"

Page 5, line 28, delete "(3)" and insert "(4)"

Page 5, line 30, delete "(4)" and insert "(5)"

Page 5, line 31, delete "or contributions" and delete "or on behalf of"

Page 5, line 32, delete "enrolled"

Page 5, line 33, delete "in" and insert "who purchase coverage through"

Page 5, line 34, delete "(5)" and insert "(6)"

Page 6, line 1, delete "(6)" and insert "(7)"

Page 6, line 4, delete "(7)" and insert "(8)"

Page 6, line 7, delete "(8)" and insert "(9)"

Page 6, line 9, delete "(9)" and insert "(10)"

Page 6, line 12, delete "(10)" and insert "(11)"

Page 6, line 14, delete "(11)" and insert "(12)"

Page 6, line 15, after the period, insert "The exchange shall not accept premium payments for individual market health plans from an employer Section 125 Plan if the employer offers a group health plan as defined in section 62A.10 or if the employer is a self-insurer as defined in section 62E.02."

Page 6, line 20, delete everything after "to" and insert "collect premiums through a Section 125 Plan for eligible individuals who purchase an individual market health plan through the exchange;"

Page 6, delete lines 21 and 22

Page 8, delete subdivision 19

Page 8, line 28, before "Premium" insert "cafeteria or"

Page 8, line 29, before the period, insert "that allows employees to purchase health insurance with pretax dollars"

Page 8, line 34, before "Effective" insert "(a)"

Page 8, line 35, delete "offer" and insert "establish" and delete "through the exchange"

Page 9, line 1, delete "pay for health insurance premiums" and insert "purchase individual market health plan coverage"

Page 9, line 4, delete "offer group health insurance through a self-insured plan" and insert "are self-insurers"

Page 9, after line 7, insert:

"(b) Employers that offer a Section 125 Plan may enter into an agreement with the exchange to administer the employer's Section 125 Plan."

Page 9, delete subdivision 4 and insert:

"Subd. 4. **Employer requirements.** Employers that are required to offer or choose to offer a Section 125 Plan shall:

(1) allow employees to purchase an individual market health plan for themselves and their dependents through the exchange;

(2) upon an employee's request, deduct premium amounts on a pretax basis in an amount not to exceed an employee's wages, and remit these employee payments to the exchange; and

(3) provide notice to employees that individual market health plans purchased through the exchange are not employer-sponsored."

Page 10, line 7, delete everything after "Individuals" and insert "who are eligible to use an employer Section 125 Plan to pay for health insurance coverage purchased"

Page 10, line 8, delete "plans through an employer Section 125 Plan"

Page 12, after line 15 insert:

## "ARTICLE 2

### INTERPRETER SERVICE

#### Section 1. **[62Q.40] LANGUAGE INTERPRETER SERVICES.**

A health plan must cover sign language interpreter services provided to deaf and hard-of-hearing enrollees and language interpreter services provided to enrollees with limited English proficiency in order to facilitate the provision of health care services by a provider or health care facility. For purposes of this section, "provider" has the meaning given in section 62J.03, subdivision 8; and "health plan" includes coverage excluded under section 62A.011, subdivision 3, clauses (6), (7), (9), and (10). Interpreter services may be provided in person, by telephone, or by video conference. The health plan shall reimburse either the party providing interpreter services directly for the costs of language interpreter services provided to the enrollee or the provider or health care facility arranging for the provision of interpreter services. Providers and health care facilities that employ or contract with interpreters may bill and shall be reimbursed directly by health plan companies for such services. Except where health plan companies are already reimbursing a party providing or a provider or health care facility arranging for interpreter services, required reimbursement by health plan companies for interpreter services shall be phased in over a three-year period beginning July 1, 2008, with one-third of the cost reimbursed the first year, two-thirds of the cost reimbursed the second year, and full reimbursement the third year. A health plan company shall provide to enrollees, upon request, the policies and procedures for addressing the needs of deaf and hard-of-hearing enrollees and enrollees with limited English proficiency. All entities providing interpreter services must disclose their methods for ensuring competency upon request of any health plan company, provider, or consumer.

Sec. 2. **INTERPRETER SERVICES WORK GROUP.**

(a) The commissioner of health shall, in consultation with the commissioners of commerce, human services, and employee relations, convene a work group to study the provision of interpreter services to patients in medical and dental care settings. The work group shall include one representative from each of the following groups:

(1) consumers;

(2) interpreters;

(3) interpreter service providers or agencies;

(4) health plan companies;

(5) self-insured purchasers;

(6) hospitals;

(7) health care providers;

(8) dental providers;

(9) clinic administrators;

(10) state agency staff from the Departments of Health, Human Services, and Employee Relations;

(11) local county social services agencies;

(12) local public health agencies; and

(13) the interpreting stakeholders group.

(b) The work group shall develop findings and recommendations on the following:

(1) assuring access to interpreter services;

(2) compliance with requirements of federal law and guidance;

(3) developing a quality assurance program to ensure the quality of health care interpreting services, including requirements for training and establishing a certification process; and

(4) identifying broad-based funding mechanisms for interpreter services.

(c) Based on the discussions of the work group, the commissioner shall submit the findings and the recommendations to the chairs of the health policy and finance committees in the house and senate by January 15, 2008.

Sec. 3. **EFFECTIVE DATE.**

Section 1 is effective July 1, 2008, and applies to plans issued or renewed to provide coverage to Minnesota residents on or after that date unless the legislature enacts alternative funding sources based on the recommendations of the commissioner. Section 2 is effective the day following final enactment.

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "Plans;" insert "requiring language interpreter services for certain enrollees;"

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.

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

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.

Reported the same back with the following amendments:

Page 1, line 15, after "chip" insert "or magnetic stripe"

Page 2, line 11, delete "Notwithstanding any other provision of law or contract and in"

Page 2, line 12, delete everything before "whenever"

Page 2, line 28, delete everything after "(a)"

Page 2, delete lines 29 to 32

Page 2, line 33, delete "(b)" and delete "person" and insert "financial institution"

Page 2, line 34, delete "also" and delete "an" and insert "a private" and after "8.31" insert ", subdivision 3a"

Page 2, line 35, delete "borrower" and insert "financial institution"

Page 3, line 1, delete "(c)" and insert "(b)"

Page 3, line 2, delete "borrower" and insert "financial institution"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

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.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

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.

Reported the same back with the following amendments:

Page 1, delete subdivision 1 and insert:

"Subdivision 1. **Establishment; duties.** A task force is established to recommend which state laws and rules that exceed or expand upon minimum federal special education requirements for providing special education programs and services to eligible students should be amended to conform with minimum federal requirements. The commissioner of the bureau of mediation services under Minnesota Statutes, section 179.02, after consulting with interested stakeholders, shall appoint a ten-member task force composed of equal numbers of providers, advocates, regulators, consumers of special education services, lawyers who practice in the field of special education and represent either parents or school districts, special education teachers, and school officials. The commissioner must convene the task force by June 1, 2007, which shall meet regularly and shall review the January 25, 2006, report prepared by the Minnesota Department of Education Office of Compliance and Assistance and the January 15, 2007, New IDEA Regulations report prepared by the Ratwick Roszak law firm. The terms and compensation of task force members are governed by Minnesota Statutes, section 15.059, subdivision 6."

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. 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.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 1841, A bill for an act relating to landlord and tenant; permitting victims of domestic abuse to terminate a lease in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 504B.

Reported the same back with the following amendments:

Page 2, line 6, after the period, insert "The return or retention of the security deposit is subject to the provisions of section 504B.178."

Page 2, delete lines 14 to 16

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1852, A bill for an act relating to education; requiring school districts to report student achievement of locally developed academic standards; amending Minnesota Statutes 2006, section 120B.11, subdivision 5.

Reported the same back with the following amendments:

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

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. 1853, A bill for an act relating to education; clarifying that reading instruction must support children with dyslexia and related language disorders; amending Minnesota Statutes 2006, sections 122A.06, subdivision 4; 122A.18, subdivisions 2a, 2b.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 122A.06, subdivision 4, is amended to read:

Subd. 4. **Comprehensive, scientifically based reading instruction.** (a) "Comprehensive, scientifically based reading instruction" includes a program or collection of instructional practices that is based on reliable, valid evidence showing that when these programs or practices are used, students can be expected to achieve, at a minimum, satisfactory reading progress. The program or collection of practices must include, at a minimum, instruction in five areas of reading: phonemic awareness, phonics, fluency, vocabulary, and text comprehension. The program or collection of practices also must expect kindergarten through grade 6 teachers to demonstrate

phonemic awareness, have a working knowledge of the speech sound system, and know how English speech sounds are represented in the spelling system, and must provide appropriate reading instruction for children having difficulty with reading acquisition so that teachers may prevent or remediate reading problems associated with the acquisition of reading.

(b) Comprehensive, scientifically based reading instruction also includes and integrates instructional strategies for continuously assessing, evaluating, and communicating the student's reading progress and needs in order to design and implement ongoing interventions so that students of all ages and proficiency levels can read and comprehend text and apply higher level thinking skills.

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

Sec. 2. Minnesota Statutes 2006, section 122A.18, subdivision 2a, is amended to read:

Subd. 2a. **Reading strategies.** (a) All colleges and universities approved by the Board of Teaching to prepare persons for classroom teacher licensure must include in their teacher preparation programs research-based best practices in reading, consistent with section 122A.06, subdivision 4, that enable the licensure candidate to know how to teach reading in the candidate's content areas.

(b) Board-approved teacher preparation programs for teachers of elementary education must require instruction in the application of comprehensive, scientifically based, and balanced reading instruction programs that teach:

(1) ~~teach~~ students to read using foundational knowledge, practices, and strategies consistent with section 122A.06, subdivision 4, so that all students will achieve continuous progress in reading; ~~and~~

(2) ~~teach~~ specialized instruction in reading strategies, interventions, and remediations that enable students of all ages and proficiency levels to become proficient readers; and

(3) knowledge and awareness of language structure and processing so that kindergarten through grade 6 teachers may prevent or remediate problems associated with the acquisition of reading.

(c) The board must include in the common core assessments of knowledge and skills under section 122A.18, subdivision 2, paragraph (e), a requirement that teacher licensure candidates demonstrate their knowledge and awareness of language structure and processing under paragraph (b), clause (3).

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to candidates enrolling in teacher preparation programs in the 2008-2009 school year and later.

Sec. 3. Minnesota Statutes 2006, section 122A.18, subdivision 2b, is amended to read:

Subd. 2b. **Reading specialist.** Not later than July 1, 2002, the Board of Teaching must adopt rules providing for the licensure of teachers of reading. Among other requirements, the rules must expect teachers of reading to acquire and retain sufficient knowledge and awareness of language structure and processing to prevent and remediate reading problems associated with the acquisition of reading.

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

Amend the title as follows:

Page 1, line 3, delete "with dyslexia and related language disorders" and insert "having difficulty with reading acquisition"

With the recommendation that when so amended 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. 1865, A bill for an act relating to workers' compensation; requiring the commissioner of labor and industry to adopt rules regarding common carrier railroad employees; requiring a report; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **WORKERS' COMPENSATION EXCLUSION INFORMATION.**

The commissioner of labor and industry shall provide information to medical care providers, employers, employees, insurers, and other individuals and organizations involved in the workers' compensation system in Minnesota regarding federal exclusions from state workers' compensation coverage under Minnesota Statutes, section 176.041, subdivision 1.

Sec. 2. **REPORT.**

The commissioner of labor and industry shall submit a report by March 1, 2008, to the committees of the house of representatives and senate with jurisdiction over workers' compensation issues detailing the department's dissemination of information required under section 1.

Sec. 3. **EFFECTIVE DATE.**

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to workers' compensation; requiring the commissioner of labor and industry to provide information regarding federal exclusions from state workers' compensation coverage; requiring a report."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1873, A bill for an act relating to health; requiring annual reports on cost containment goals; establishing a health care transformation task force; modifying goals for universal coverage; establishing a demonstration project for community-based health care initiative; modifying performance payments for medical groups; requiring a physician-directed care coordination program; requiring a payment reform plan; providing grants for community collaboratives; establishing health care payment reform pilot projects; requiring a study; appropriating money; amending Minnesota Statutes 2006, sections 62J.04, subdivision 3; 62J.81, subdivision 1; 62Q.165, subdivisions 1, 2; 62Q.80, subdivisions 3, 4, 13, 14, by adding a subdivision; 256.01, subdivision 2b; 256B.0625, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 62J; repealing Minnesota Statutes 2006, section 62J.052, subdivision 1.

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. 1896, A bill for an act relating to public safety; establishing Legislative Commission on Terrorism and Disaster Preparedness; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 12.

Reported the same back with the following amendments:

Page 2, lines 6 and 8, after "two" insert "citizen"

Page 2, line 12, delete "and" and insert "but continue to serve"

Page 2, after line 32, insert:

"Subd. 7. **Repeal.** This section is repealed June 30, 2011."

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. 1948, A bill for an act relating to public defense; providing for public defender representation for certain minors and persons; removing certain provisions requiring mandatory representation by the public defender; amending Minnesota Statutes 2006, sections 611.14; 611.16; 611.18.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 260C.163, subdivision 3, is amended to read:

Subd. 3. **Appointment of counsel.** (a) The child, parent, guardian or custodian has the right to effective assistance of counsel in connection with a proceeding in juvenile court.

(b) Except in proceedings where the sole basis for the petition is habitual truancy, if the child, parent, guardian, or custodian desires counsel but is unable to employ it, the court shall appoint counsel to represent the child who is ten years of age or older or the parents or guardian ~~in any case in which it feels that such an appointment is appropriate pursuant to section 611.14.~~

(c) In any proceeding where the sole basis for the petition is habitual truancy, the child, parent, guardian, and custodian do not have the right to appointment of a public defender or other counsel at public expense. However, before any out-of-home placement, including foster care or inpatient treatment, can be ordered, the court must appoint a public defender ~~or other counsel at public expense in accordance with paragraph (b) for the child in accordance with section 611.14, paragraph (a), clause (4).~~

(d) Counsel for the child shall not also act as the child's guardian ad litem.

(e) In any proceeding where the subject of a petition for a child in need of protection or services is not represented by an attorney, the court shall determine the child's preferences regarding the proceedings, if the child is of suitable age to express a preference.

**EFFECTIVE DATE.** This section is effective January 1, 2008.

Sec. 2. Minnesota Statutes 2006, section 260C.331, subdivision 3, is amended to read:

Subd. 3. **Court expenses.** (1) The following expenses are a charge upon the county in which proceedings are held upon certification of the judge of juvenile court or upon such other authorization provided by law:

(a) The fees and mileage of witnesses, and the expenses and mileage of officers serving notices and subpoenas ordered by the court, as prescribed by law.

(b) The expense of transporting a child to a place designated by a child-placing agency for the care of the child if the court transfers legal custody to a child-placing agency.

(c) The expense of transporting a minor to a place designated by the court.

~~(d) Reasonable compensation for an attorney appointed by the court to serve as counsel, except in the Eighth Judicial District where the state courts shall pay for counsel to a guardian ad litem until the recommendations of the task force created in Laws 1999, chapter 216, article 7, section 42, are implemented. The reimbursement to the Board of Public Defense for trial court representation of noncustodial parents from the time that the noncustodial parent is made a party to the child protection or permanent placement proceedings under section 260C.201, subdivision 11, paragraph (d), clauses (1) to (5). Compensation for attorney services shall be set at a rate of \$60 per hour. Funds collected by the board shall be deposited in the special revenue fund and are appropriated to the board and do not cancel.~~

~~(2) The state courts shall pay for guardian ad litem expenses.~~

**EFFECTIVE DATE.** This section is effective January 1, 2008.

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

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

~~(a) 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;

(5) a child under ten years of age when the child's misbehavior is the sole basis for a petition filed by the county attorney and any out-of-home placement including foster care or inpatient treatment is being sought;

(6) a custodial parent or parents who are entitled to counsel in trial court under section 260C.163, subdivision 3, pursuant to a petition filed by a county attorney, or, if there is no parent, the guardian or the custodian of the child, but in cases governed by the Indian Child Welfare Act, the district public defender may represent both parents regardless of whether they have custody of the child, or may represent the guardian or custodian of the child; or

(7) a noncustodial parent made a party to a child protection or permanent placement proceeding under section 260C.201, subdivision 11, paragraph (d), clauses (1) to (5), the cost of which will be reimbursed under section 260C.331, subdivision 3, paragraph (d).

(b) The Board of Public Defense must not provide or pay for public defender services to persons other than those entitled to representation under this section.

**EFFECTIVE DATE.** This section is effective January 1, 2008.

Sec. 4. Minnesota Statutes 2006, section 611.16, is amended to read:

#### **611.16 REQUEST FOR APPOINTMENT OF PUBLIC DEFENDER.**

Any person described in section 611.14 ~~or any other person entitled by law to representation by counsel~~, may at any time request the court in which the matter is pending, or the court in which the conviction occurred, to appoint a public defender to represent the person. In a proceeding defined by clause (2) of section 611.14, application for the appointment of a public defender may also be made to a judge of the Supreme Court.

**EFFECTIVE DATE.** This section is effective January 1, 2008.

Sec. 5. Minnesota Statutes 2006, section 611.18, is amended to read:

#### **611.18 APPOINTMENT OF PUBLIC DEFENDER.**

If it appears to a court that a person requesting the appointment of counsel satisfies the requirements of this chapter, the court shall order the appropriate public defender to represent the person at all further stages of the proceeding through appeal, if any. For a person appealing from a conviction, or a person pursuing a postconviction proceeding and who has not already had a direct appeal of the conviction, according to the standards of sections 611.14 and 611.25, subdivision 1, paragraph (a), clause (2), the state public defender shall be appointed. For a person covered by section 611.14, paragraph (a), clause (1), (3), (4), (5), (6), or (7), a district public defender shall be appointed to represent that person. ~~If (a) conflicting interests exist, (b) the district public defender for any other reason is unable to act, or (c) the interests of justice require, the state public defender may be ordered to represent a person. 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.~~ If at any stage of the proceedings, including an appeal, the court finds that the defendant is financially unable to pay counsel whom the defendant had retained, the court may appoint the appropriate public defender to represent the defendant, as provided in this section. Prior to any court appearance, a public defender may represent a person accused of violating the law, who

appears to be financially unable to obtain counsel, and shall continue to represent the person unless it is subsequently determined that the person is financially able to obtain counsel. The representation may be made available at the discretion of the public defender, upon the request of the person or someone on the person's behalf. Any law enforcement officer may notify the public defender of the arrest of any such person.

**EFFECTIVE DATE.** This section is effective January 1, 2008."

Delete the title and insert:

"A bill for an act relating to public defense; providing for public defender representation for juveniles, children in need of protection, and other persons; amending Minnesota Statutes 2006, sections 260C.163, subdivision 3; 260C.331, subdivision 3; 611.14; 611.16; 611.18."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1949, A bill for an act relating to commerce; regulating conduct of an insurer in collision cases; amending Minnesota Statutes 2006, section 72B.092, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 18, delete "amount or"

Page 1, line 19, after the semicolon, insert "or"

Page 1, delete lines 20 and 21

Page 1, line 22, delete "(g)" and insert "(f)"

Page 1, line 23, after the period, insert "This clause does not require the insurer to pay more than a reasonable market price for parts of like kind and quality in adjusting a claim."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1981, A bill for an act relating to health; eliminating the expiration date for the Maternal and Child Health Advisory Task Force; amending Minnesota Statutes 2006, section 145.881, subdivision 1.

Reported the same back with the following amendments:

Page 1, line 16, reinstate the stricken "expires June 30," and after the stricken "2007" insert "2011" and delete "does"

Page 1, line 17, delete the new language

Amend the title as follows:

Page 1, line 2, delete "eliminating" and insert "extending"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1984, A bill for an act relating to health professions; allowing the return of drugs dispensed by pharmacies in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 151.

Reported the same back with the following amendments:

Page 1, line 9, after "of" insert "and redispense unopened."

Page 1, line 11, before "trained" insert "correctional employee" and delete "medication technician" and insert "in the delivery and storage of medications"

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. 2008, A bill for an act relating to education; integrating instruction about the contributions of Minnesota American Indian tribes and communities into student learning and teacher preparation and licensing requirements; establishing committees on American Indian education programs; amending Minnesota Statutes 2006, sections 120B.021, subdivision 1; 120B.024; 122A.09, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 124D.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2006, section 120B.021, subdivision 1, is amended to read:

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

(1) language arts;

(2) mathematics;

(3) science;

(4) social studies, including history, geography, economics, and government and citizenship;

(5) health and physical education, for which locally developed academic standards apply; and

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

The commissioner must submit proposed standards in science and social studies to the legislature by February 1, 2004.

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

A school district, no later than the 2007-2008 school year, must adopt graduation requirements that meet or exceed state graduation requirements established in law or rule. A school district that incorporates these state graduation requirements before the 2007-2008 school year must provide students who enter the 9th grade in or before the 2003-2004 school year the opportunity to earn a diploma based on existing locally established graduation requirements in effect when the students entered the 9th grade. District efforts to develop, implement, or improve instruction or curriculum as a result of the provisions of this section must be consistent with sections 120B.10, 120B.11, and 120B.20.

(b) The commissioner must include the contributions of Minnesota American Indian tribes and communities as they relate to each of the academic standards during the review and revision of the required academic standards.

**EFFECTIVE DATE.** This section is effective for the 2007-2008 school year and later."

Page 3, delete section 2

Page 4, line 22, delete "120B.024."

Page 5, line 28, delete "120B.024."

Page 6, line 20, before "American" insert "students, including"

Page 6, line 23, after "of" insert "all students, including"

Page 6, line 25, after "if" insert ":(1)"

Page 6, line 26, delete "inappropriate" and insert "appropriate" and delete "if:" and insert a semicolon and delete "(1)" and insert "(2)"

Page 6, line 27, delete "unfairly" and insert "fairly" and delete "(2)" and insert "(3)" and delete "do not"

Page 6, line 28, delete "(3)" and insert "(4)" and delete "do not"

Page 6, line 34, delete "school board members" and insert "Minnesota School Board Association"

Page 7, line 6, before the period, insert "subject to the limits of available appropriations"

Renumber the sections in sequence

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.

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

H. F. No. 2056, A bill for an act relating to financial institutions; regulating certain charges, expenses, electronic financial terminals, and investments; amending Minnesota Statutes 2006, sections 47.59, subdivision 6; 47.60, subdivision 2; 47.62, subdivision 1; 47.75, subdivision 1; 48.15, subdivision 4; 118A.03, subdivision 2; 332.54, subdivision 7; repealing Minnesota Statutes 2006, sections 46.043; 47.62, subdivision 5.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2006, section 47.19, is amended to read:

**47.19 CORPORATION MAY BE MEMBER OR STOCKHOLDER OF FEDERAL AGENCY.**

Any corporation is hereby empowered and authorized to become a member of, or stockholder in, any such agency, and to that end to purchase stock in, or securities of, or deposit money with, such agency and/or to comply with any other conditions of membership or credit; to borrow money from such agency upon such rates of interest, not exceeding the contract rate of interest in this state, and upon such terms and conditions as may be agreed upon by such corporation and such agency, for the purpose of making loans, paying withdrawals, paying maturities, paying debts, and for any other purpose not inconsistent with the objects of the corporation; provided, that the aggregate amount of the indebtedness, so incurred by such corporation, which shall be outstanding at any time shall not exceed ~~25~~ 35 percent of the then total assets of the corporation; to assign, pledge and hypothecate its bonds, mortgages or other assets; and, in case of savings associations, to repledge with such agency the shares of stock in such association which any owner thereof may have pledged as collateral security, without obtaining the consent thereunto of such owner, as security for the repayment of the indebtedness so created by such corporation and as evidenced by its note or other evidence of indebtedness given for such borrowed money; and to do any and all things which shall or may be necessary or convenient in order to comply with and to obtain the benefits of the provisions of any act of Congress creating such agency, or any amendments thereto."

Page 7, line 7, delete "7" and insert "8"

Amend the title as follows:

Page 1, line 2, after "certain" insert "debt,"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2135, A bill for an act relating to the Minnesota Sesquicentennial Commission; changing certain duties, powers, and procedures; amending Laws 2005, First Special Session chapter 1, article 4, section 121.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

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

H. F. No. 2137, A bill for an act relating to motor fuels; allowing petroleum inspection fee to be used for weatherization assistance; amending Minnesota Statutes 2006, section 239.101, subdivision 3.

Reported the same back with the recommendation that 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. 2148, A bill for an act relating to public health; creating a pilot project to make Minneapolis schools fragrance-free.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **FRAGRANCE-FREE SCHOOLS EDUCATION PILOT PROJECT.**

Subdivision 1. **Purpose.** Recognizing that scented products may trigger asthma or chemical sensitivity reactions in students and school staff, which can contribute to learning and breathing problems, the commissioner of health shall develop a fragrance-free schools education pilot project.

Subd. 2. **Education.** The commissioner of health, in collaboration with the commissioner of education and the Minneapolis Board of Education, shall establish a working group composed of at least three students, two teachers, one school administrator, and one member of the Minneapolis Board of Education to recommend an education campaign in Minneapolis public schools to inform students and parents about the potentially harmful effects of the use of fragrance products on sensitive students and school personnel in Minneapolis schools.

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

With the recommendation that when so amended the bill pass and be re-referred to the Housing Policy and Finance and Public Health Finance Division.

The report was adopted.

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

H. F. No. 2178, A bill for an act relating to human services; restoring funding for certain long-term care programs; expanding home and community-based long-term care services for older adults and family caregivers; establishing new grant programs; establishing a statewide priority to enhance the mobility of older adults; establishing demonstration projects; requiring a study of adult protection and ombudsman services; requiring a study of access by older adults to services under the elderly waiver; requiring a study of service adequacy across long-term care waivers; requiring a study of access to hospice services; establishing a tax credit for family caregivers of adults of all ages; appropriating money; amending Minnesota Statutes 2006, sections 256.975, by adding subdivisions; 256B.0917, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 256; 290.

Reported the same back with the following amendments:

Page 2, delete section 2

Page 3, delete lines 31 and 32

Page 3, line 33, delete "(2)" and insert "(1)"

Page 3, line 34, delete "(3)" and insert "(2)"

Page 3, line 35, delete "(4)" and insert "(3)"

Page 9, delete lines 12 and 13

Page 9, line 14, delete "(3)" and insert "(2)"

Page 9, line 16, delete "(4)" and insert "(3)"

Page 9, line 19, delete "(5)" and insert "(4)" and delete "7" and insert "6"

Page 9, line 20, delete "(6)" and insert "(5)" and delete "8" and insert "7"

Page 9, line 22, delete "(7)" and insert "(6)"

Page 9, line 23, delete "8" and insert "7"

Page 9, line 24, delete "(8)" and insert "(7)" and delete "8" and insert "7"

Page 9, line 25, delete "(9)" and insert "(8)" and delete "9" and insert "8"

Page 9, line 27, delete "(10)" and insert "(9)"

Page 9, line 28, delete "10" and insert "9"

Renumber the sections in sequence

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.

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

H. F. No. 2184, A bill for an act relating to health; modifying the medical education and research cost distribution formula; appropriating money; amending Minnesota Statutes 2006, section 62J.692, subdivisions 1, 4, 7a, 8, 10.

Reported the same back with the recommendation that 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. 2290, A bill for an act relating to workers' compensation; providing penalties for gaining improper access to medical records; amending Minnesota Statutes 2006, section 176.178, by adding subdivisions.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[609.553] THEFT OF MEDICAL RECORDS.**

Any person or contractor who: (1) represents an employer whose employees meet the definition of "excluded employments" found in section 176.041, subdivision 1, paragraph (a), and (2) fraudulently requests or receives an employee's medical data which the person, contractor, or employer is not entitled by knowingly misrepresenting, misstating, or failing to disclose any material fact is guilty of theft and shall be prosecuted and sentenced pursuant to section 609.52. An alleged violation of this subdivision may be prosecuted by a county attorney with appropriate jurisdiction or by the attorney general."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

S. F. No. 13, A resolution memorializing the President and Congress to carry through on their pledge to fund 40 percent of special education costs.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

### **SECOND READING OF HOUSE BILLS**

H. F. Nos. 49, 117, 211, 258, 287, 529, 635, 754, 766, 931, 999, 1004, 1016, 1021, 1074, 1209, 1224, 1287, 1339, 1360, 1396, 1401, 1418, 1499, 1500, 1543, 1554, 1577, 1595, 1704, 1712, 1758, 1781, 1824, 1841, 1865, 1948, 1949, 1981, 2056, 2135 and 2290 were read for the second time.

### **SECOND READING OF SENATE BILLS**

S. F. No. 13 was read for the second time.

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

The following House Files were introduced:

Clark introduced:

H. F. No. 2366, A bill for an act relating to public health; requiring a report of radiation emissions in Monticello.

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

Dean introduced:

H. F. No. 2367, A bill for an act relating to education; allowing charter school students to participate in extracurricular activities in their resident school district; amending Minnesota Statutes 2006, sections 123B.36, subdivision 1; 123B.49, subdivision 4; 124D.10, subdivision 8.

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

Doty and Ward introduced:

H. F. No. 2368, A bill for an act relating to capital improvements; appropriating money for a wastewater treatment facility in the city of Garrison; authorizing the sale and issuance of state bonds.

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

Tillberry, Thao and Bigham introduced:

H. F. No. 2369, A bill for an act relating to education; requiring school districts to provide notice when counseling services are being performed by nonlicensed school personnel; proposing coding for new law in Minnesota Statutes, chapter 122A.

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

Greiling introduced:

H. F. No. 2370, A bill for an act relating to education; creating a joint legislative committee to study the merging of the Office of Higher Education into the Department of Education; providing appointments.

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

Bigham and McNamara introduced:

H. F. No. 2371, A bill for an act relating to capital improvements; appropriating money for a highway 10/61 corridor vista enhancement project; authorizing sale of general obligation bonds.

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

Eken introduced:

H. F. No. 2372, A bill for an act relating to motor vehicles; establishing semiannual registration of trailers and tractors; amending Minnesota Statutes 2006, sections 168.017, subdivision 3; 168.018.

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

Fritz introduced:

H. F. No. 2373, A bill for an act relating to appropriations; appropriating money for the Job Skills Partnership Board.

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

Simon introduced:

H. F. No. 2374, A bill for an act relating to data practices; modifying provisions governing classification of public pension plan data; amending Minnesota Statutes 2006, section 13.63, subdivisions 1, 2, 3, by adding a subdivision; repealing Minnesota Statutes 2006, sections 13.43, subdivision 2a; 13.632.

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

Peterson, N., introduced:

H. F. No. 2375, A bill for an act relating to insurance; requiring use of electronic records and signatures in certain instances; amending Minnesota Statutes 2006, section 60A.08, subdivision 5, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

Hornstein introduced:

H. F. No. 2376, A bill for an act relating to transportation; appropriating money for projects relating to plug-in hybrid electric vehicles and neighborhood electric vehicles.

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

### **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 Files, herewith returned:

H. F. No. 1441, A bill for an act relating to trust companies; limited purpose companies; making nonsubstantive term changes; amending Minnesota Statutes 2006, section 48A.03, subdivision 5.

H. F. No. 736, A bill for an act relating to emergency medical services; changing the name of an award and incentive program.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 274, A bill for an act relating to the Rural Finance Authority; providing for sale of bonds; appropriating money.

The Senate has appointed as such committee:

Senators Vickerman, Erickson Ropes and Hann.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Madam Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1200, A bill for an act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2006, sections 3.97, subdivision 2; 5.25, subdivisions 1, 3, 5; 5.29; 13.461, subdivision 1; 13.632, subdivision 1; 13.7931, subdivision 1; 13.871, by adding a subdivision; 17.81, subdivision 4; 37.21, subdivision 1; 47.61, subdivision 3; 85.054, subdivision 5; 115.55, subdivision 7; 115A.193; 115A.28, subdivision 2; 115A.9157, subdivision 5; 115A.97, subdivision 6; 115A.99, subdivision 2; 116L.03, subdivision 1; 116L.665, subdivision 1; 119A.03, subdivision 2; 119A.04, subdivision 1; 147.02, subdivision 1; 256.741, subdivision 1; 256J.68, subdivision 1; 273.032; 289A.42, subdivision 1; 296A.26; 297A.62, subdivision 1; 297A.70, subdivision 3; 297F.23; 323A.0901; 323A.0902; 336.9-334; 336B.01, subdivision 2; 340A.412, subdivision 4; 340A.414, subdivision 2; 347.06; 469.321, subdivision 1; 469.333, subdivision 2; 469.335; 469.336; 477A.014, subdivision 1; 504B.321, subdivision 1; 518A.40, subdivision 3; 523.24, subdivision 9; 611.27, subdivisions 13, 15; 611A.55, subdivisions 1, 2; 626.89, subdivision 1; 626.90, subdivision 7; Laws 2003, chapter 118, sections 28, as amended; 29, as amended; Laws 2005, First Special Session chapter 3, article 5, section 44, subdivision 1, as amended; Laws 2006, chapter 259, article 13, sections 7; 8; repealing Minnesota Statutes 2006, sections 1.33; 1.34; 1.35; 1.36; 1.37; 1.38; 1.39; 1.40; 13.319, subdivision 2; 60A.13, subdivision 4a; 92.67, subdivision 1a; 115A.055, subdivision 2; 115A.545; 115A.9157, subdivision 4; 116O.091, subdivision 7; 135A.153, subdivision 5; 148B.55; 273.1398, subdivisions 4a, 4c; 383E.40; 383E.41; 383E.42; 383E.43; 383E.44; 383E.45; 383E.46; 383E.47; 383E.48; 383E.49; 477A.011, subdivision 28; 611A.201, subdivision 3; Laws 2004, chapter 206, section 8; Laws 2005, chapter 136, article 3, section 22; Laws 2005, First Special Session chapter 8, article 1, section 23; article 10, section 6; Laws 2006, chapter 236, article 1, section 2; Laws 2006, chapter 253, section 5; Laws 2006, chapter 258, section 37; Laws 2006, chapter 260, article 5, section 43; Laws 2006, chapter 263, article 3, section 13; Laws 2006, chapter 271, article 8, section 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

#### CONCURRENCE AND REPASSAGE

Kranz moved that the House concur in the Senate amendments to H. F. No. 1200 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1200, A bill for an act relating to legislation; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 2006, sections 3.97, subdivision 2; 5.25, subdivisions 1, 3, 5; 5.29; 13.461, subdivision 1; 13.632, subdivision 1; 13.7931, subdivision 1; 13.871, by adding a subdivision; 17.81, subdivision 4; 37.21, subdivision 1; 47.61, subdivision 3; 85.054, subdivision 5;

115.55, subdivision 7; 115A.193; 115A.28, subdivision 2; 115A.9157, subdivision 5; 115A.97, subdivision 6; 115A.99, subdivision 2; 116L.03, subdivision 1; 116L.665, subdivision 1; 119A.03, subdivision 2; 119A.04, subdivision 1; 147.02, subdivision 1; 256.741, subdivision 1; 256J.68, subdivision 1; 273.032; 289A.42, subdivision 1; 296A.26; 297A.62, subdivision 1; 297A.70, subdivision 3; 297F.23; 323A.0901; 323A.0902; 336.9-334; 336B.01, subdivision 2; 340A.412, subdivision 4; 340A.414, subdivision 2; 347.06; 469.321, subdivision 1; 469.333, subdivision 2; 469.335; 469.336; 477A.014, subdivision 1; 504B.321, subdivision 1; 518A.40, subdivision 3; 523.24, subdivision 9; 611.27, subdivisions 13, 15; 611A.55, subdivisions 1, 2; 626.8451, subdivision 1a; 626.89, subdivision 1; 626.90, subdivision 7; Laws 2003, chapter 118, sections 28, as amended; 29, as amended; Laws 2005, First Special Session chapter 3, article 5, section 44, subdivision 1, as amended; Laws 2006, chapter 259, article 13, sections 7; 8; repealing Minnesota Statutes 2006, sections 1.33; 1.34; 1.35; 1.36; 1.37; 1.38; 1.39; 1.40; 13.319, subdivision 2; 60A.13, subdivision 4a; 92.67, subdivision 1a; 115A.055, subdivision 2; 115A.545; 115A.9157, subdivision 4; 116O.091, subdivision 7; 135A.153, subdivision 5; 148B.55; 273.1398, subdivisions 4a, 4c; 383E.40; 383E.41; 383E.42; 383E.43; 383E.44; 383E.45; 383E.46; 383E.47; 383E.48; 383E.49; 477A.011, subdivision 28; 611A.201, subdivision 3; Laws 2004, chapter 206, section 8; Laws 2005, chapter 136, article 3, section 22; Laws 2005, First Special Session chapter 8, article 1, section 23; article 10, section 6; Laws 2006, chapter 236, article 1, section 2; Laws 2006, chapter 253, section 5; Laws 2006, chapter 258, section 37; Laws 2006, chapter 260, article 5, section 43; Laws 2006, chapter 263, article 3, section 13; Laws 2006, chapter 271, article 8, section 3.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 7 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Buesgens	Erickson	Gottwalt	Shimanski
Emmer	Finstad	Olson	

The bill was repassed, as amended by the Senate, and its title agreed to.

Madam Speaker:

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

S. F. Nos. 846, 156, 1181, 1525 and 167.

PATRICK E. FLAHAVEN, Secretary of the Senate

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

S. F. No. 846, A bill for an act relating to state government; providing deficiency funding for certain state agencies; appropriating money.

The bill was read for the first time.

Solberg moved that S. F. No. 846 and H. F. No. 958, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 156, A bill for an act relating to highways; designating I-94 as Purple Heart Trail; amending Minnesota Statutes 2006, section 161.14, by adding a subdivision.

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

S. F. No. 1181, A bill for an act relating to drivers' licenses; modifying required information on driver's license; amending Minnesota Statutes 2006, section 171.07, subdivision 1.

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

S. F. No. 1525, A bill for an act relating to public safety; increasing fines relating to pipeline violations; amending Minnesota Statutes 2006, sections 299F.60, subdivision 1; 299J.16, subdivision 1.

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

S. F. No. 167, A bill for an act relating to unemployment insurance; making various policy, housekeeping, and style changes to the Minnesota Unemployment Insurance Law; incorporating certain administrative rules into Minnesota Statutes; modifying fraud penalties; extending certain unemployment benefits; amending Minnesota Statutes 2006, sections 268.001; 268.03, subdivisions 1, 2; 268.035, subdivisions 1, 4, 9, 10, 11, 12, 13, 14, 15, 17, 20, 21a, 23, 23a, 24, 26, 29, 30, by adding a subdivision; 268.042, subdivisions 1, 3, 4; 268.043; 268.0435; 268.044, subdivisions 1, 1a, 2, 3, 4; 268.045, subdivision 1; 268.046; 268.047, subdivisions 1, 2, 3, 5; 268.051, subdivisions 1, 1a, 2, 3, 4, 4a, 5, 6, 7, 8, 9; 268.052, subdivisions 1, 2, 3, 4, 5; 268.0525; 268.053, subdivisions 1, 2, 3; 268.057, subdivisions 1, 2, 3, 4, 5, 6, 7, 10; 268.058; 268.059; 268.0625, subdivisions 4, 5; 268.063; 268.064; 268.065, subdivisions 1, 3; 268.066; 268.067; 268.0675; 268.068; 268.069, subdivisions 1, 2, 3; 268.07, subdivisions 1, 2, 3a, 3b; 268.084; 268.085, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7, 8, 9, 11, 12, 13, 13a, 13b, 13c, 16; 268.086, subdivisions 1, 2, 3, 5, 6, 7, 8, 9; 268.087; 268.095, subdivisions 1, 2, 3, 4, 5, 6, 6a, 7, 10, 11; 268.101; 268.103, subdivisions 1, 2;

268.105, subdivisions 1, 2, 3, 3a, 4, 5, 6, 7; 268.115; 268.125, subdivisions 3, 4, 5; 268.131, subdivision 1; 268.135; 268.145, subdivisions 1, 2, 3; 268.155; 268.18, subdivisions 1, 2, 2b, 4, 5, 6; 268.182, subdivisions 1, 2; 268.184, subdivisions 1, 1a; 268.186; 268.188; 268.19, subdivisions 1, 1a, 2; 268.192; 268.194, subdivisions 1, 2, 3, 4, 5, 6; 268.196, subdivisions 1, 3; 268.20; 268.21; 268.22; 268.23; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 2006, sections 268.0435; 268.0511; 268.085, subdivision 10; 268.103, subdivision 4; Minnesota Rules, parts 3315.0210; 3315.0220; 3315.0515; 3315.0520; 3315.0525; 3315.0530, subparts 2, 3, 4, 5, 6; 3315.0540; 3315.0550; 3315.0910, subparts 1, 2, 3, 4, 5, 6, 7, 8; 3315.1005, subparts 1, 3; 3315.1315, subpart 4; 3315.2010; 3315.2810, subparts 2, 4.

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

### CONSENT CALENDAR

H. F. No. 1594, A bill for an act relating to the military; expanding the reenlistment bonus program; providing for certain academic awards; amending Minnesota Statutes 2006, section 192.501, subdivisions 1b, 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

### CALENDAR FOR THE DAY

H. F. No. 966, A bill for an act relating to labor; allowing the commissioner of labor and industry to issue orders of compliance relating to overtime for nurses; amending Minnesota Statutes 2006, sections 177.27, subdivision 4; 181.275, subdivision 1, by adding a subdivision.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 121 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, B.	DeLaForest	Finstad	Hoppe	Paulsen
Buesgens	Emmer	Holberg	Kohls	Peppin

The bill was passed and its title agreed to.

Sertich moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.

Sertich moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

Abeler and Howes were excused for the remainder of today's session.

There being no objection, the order of business reverted to Reports of Standing Committees and Divisions.

## REPORTS OF STANDING COMMITTEES AND DIVISIONS

Carlson from the Committee on Finance to which was referred:

H. F. No. 20, A bill for an act relating to taxation; income; allowing a credit for contributions to prekindergarten scholarship granting organizations; amending Minnesota Statutes 2006, section 290.01, subdivision 19c; proposing coding for new law in Minnesota Statutes, chapter 290.

Reported the same back with the following amendments:

Page 1, before line 7, insert:

"Section 1. Minnesota Statutes 2006, section 124D.13, subdivision 6, is amended to read:

Subd. 6. **Participants' fees.** A district must establish a reasonable sliding fee scale, and must accept education scholarships funded by contributions that qualify for the tax credit in section 290.0678, but it shall waive the fee for a participant who does not have a scholarship and is unable to pay.

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

Sec. 2. Minnesota Statutes 2006, section 124D.15, subdivision 12, is amended to read:

Subd. 12. **Program fees.** A district must adopt a sliding fee schedule based on a family's income, and must accept education scholarships funded by contributions that qualify for the tax credit in section 290.0678, but must waive a fee for a participant who does not have a scholarship and is unable to pay.

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

Page 3, line 10, delete "290.0676" and insert "290.0678"

Page 3, line 33, delete the second "or"

Page 4, delete lines 1 to 3 and insert:

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

(v) a school readiness program under section 124D.15; and"

Page 5, line 22, delete everything before the period and insert "amount is \$..... in fiscal year 2008 and \$..... in fiscal year 2009"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "amending participation fee and program fee requirements;"

Correct the title numbers accordingly

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

The report was adopted.

Lenczewski from the Committee on Taxes to which was referred:

H. F. No. 31, A bill for an act relating to taxation; conforming to federal tax rules for public safety retiree pensions; authorizing pension funds to withhold and pay insurance premiums; amending Minnesota Statutes 2006, sections 290.01, subdivisions 19, 31; 356.87.

Reported the same back with the following amendments:

Pages 1 to 2, delete sections 1 and 2

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, line 3, delete "pensions;"

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.

Carlson from the Committee on Finance to which was referred:

H. F. No. 123, A bill for an act relating to taxation; individual income; providing that the education expense credit and deduction apply to certain expenditures for prekindergarten expenses and museum memberships; amending Minnesota Statutes 2006, sections 290.01, subdivision 19b; 290.0674, subdivision 1.

Reported the same back with the recommendation that 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. 719, A bill for an act relating to natural resources; Clair A. Nelson Memorial Forest; providing a temporary suspension of apportionment of proceeds from tax-forfeited lands in Lake County to reimburse the county for purchase of forest land.

Reported the same back with the recommendation that 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. 849, A bill for an act relating to natural resources; providing for regulation of shoreland resorts; amending Minnesota Statutes 2006, section 103F.205, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103F.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1221, A bill for an act relating to energy; requiring commissioner of commerce to engage in activities designed to increase energy savings under conservation investment program; amending Minnesota Statutes 2006, section 216B.241, subdivision 1c, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

#### "ARTICLE 1

#### ENERGY EFFICIENCY AND CONSERVATION

Section 1. Minnesota Statutes 2006, section 216B.16, subdivision 1, is amended to read:

Subdivision 1. **Notice.** Unless the commission otherwise orders, no public utility shall change a rate which has been duly established under this chapter, except upon 60 days' notice to the commission. The notice shall include statements of facts, expert opinions, substantiating documents, and exhibits, supporting the change requested, and state the change proposed to be made in the rates then in force and the time when the modified rates will go into effect. If the filing utility does not have an approved energy conservation improvement plan on file with the department, it shall also include in its notice an energy conservation plan pursuant to section 216B.241. A filing utility subject to rate regulation under section 216B.026 shall reference in its notice the energy conservation improvement plans of the generation and transmission cooperative providing energy conservation improvement programs to members of the filing utility pursuant to section 216B.241. The filing utility shall give written notice, as approved by the commission, of the proposed change to the governing body of each municipality and county in the area affected. All proposed changes shall be shown by filing new schedules or shall be plainly indicated upon schedules on file and in force at the time.

Sec. 2. Minnesota Statutes 2006, section 216B.16, subdivision 6b, is amended to read:

Subd. 6b. **Energy conservation improvement.** (a) Except as otherwise provided in this subdivision, all investments and expenses of a public utility as defined in section 216B.241, subdivision 1, paragraph ~~(e)~~ (i), incurred in connection with energy conservation improvements shall be recognized and included by the commission in the determination of just and reasonable rates as if the investments and expenses were directly made or incurred by the utility in furnishing utility service.

(b) ~~After December 31, 1999,~~ Investments and expenses for energy conservation improvements shall not be included by the commission in the determination of (i) just and reasonable electric and gas rates for retail electric and gas service provided to large electric customer facilities that have been exempted by the commissioner of the department pursuant to section 216B.241, subdivision 1a, paragraph (b); or (ii) just and reasonable gas rates for large energy facilities. ~~However, no public utility shall be prevented from recovering its investment in energy conservation improvements from all customers that were made on or before December 31, 1999, in compliance with the requirements of section 216B.241.~~

(c) The commission may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements. These rate schedules may be applicable to less than all the customers in a class of retail customers if necessary to reflect the ~~differing minimum spending~~ requirements of section 216B.241, ~~subdivision 1a.~~ ~~After December 31, 1999,~~ The commission shall allow a public utility, without requiring a general rate filing under this section, to reduce the electric and gas rates applicable to large electric customer facilities that have been exempted by the commissioner of the department pursuant to section 216B.241, subdivision 1a, paragraph (b), and to reduce the gas rate applicable to a large energy facility by an amount that reflects the elimination of energy conservation improvement investments or expenditures for those facilities ~~required on or before December 31, 1999.~~ In the event that the commission has set electric or gas rates based on the use of an accounting methodology that results in the cost of conservation improvements being recovered from utility customers over a period of years, the rate reduction may occur in a series of steps to coincide with the recovery of balances due to the utility for conservation improvements made by the utility on or before December 31, ~~1999~~ 2007.

Sec. 3. **[216B.1636] RECOVERY OF ELECTRIC UTILITY INFRASTRUCTURE COSTS.**

Subdivision 1. **Definitions.** (a) "Electric utility" means a public utility as defined in section 216B.02, subdivision 4, that furnishes electric service to retail customers.

(b) "Electric utility infrastructure costs" or "EUIC" means costs for electric utility infrastructure projects that were not included in the electric utility's rate base in its most recent general rate case.

(c) "Electric utility infrastructure projects" means projects that:

(1) replace or modify existing electric utility infrastructure, including utility-owned buildings, if the replacement or modification is shown to conserve energy or use energy more efficiently, consistent with section 216B.241, subdivision 1c; or

(2) conserve energy or use energy more efficiently by using waste heat recovery converted into electricity as defined in section 216B.241, subdivision 1, paragraph (n).

Subd. 2. **Filing.** (a) The commission may approve an electric utility's petition for a rate schedule to recover EUIC under this section. An electric utility may petition the commission to recover a rate of return, income taxes on the rate of return, incremental property taxes, if any, plus incremental depreciation expense associated with EUIC.

(b) The filing is subject to the following:

(1) an electric utility may submit a filing under this section no more than once per year; and

(2) an electric utility must file sufficient information to satisfy the commission regarding the proposed EUIC or be subject to denial by the commission, which information includes, but is not limited to:

(i) the location, description, and costs associated with the project;

(ii) evidence that the electric utility infrastructure project will conserve energy or use energy more efficiently than similar utility facilities currently used by the electric utility;

(iii) the proposed schedule for implementation;

(iv) a description of the costs, and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;

(v) the proposed rate design and an explanation of why the proposed rate design is in the public interest;

(vi) the magnitude and timing of any known future electric utility projects that the utility may seek to recover under this section;

(vii) the magnitude of EUIC in relation to the electric utility's base revenue as approved by the commission in the electric utility's most recent general rate case, exclusive of fuel cost adjustments;

(viii) the magnitude of EUIC in relation to the electric utility's capital expenditures since its most recent general rate case;

(ix) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case;

(x) documentation supporting the calculation of the EUIC; and

(xi) a cost and benefit analysis showing that the electric utility infrastructure project is in the public interest.

(c) Upon approval of the proposed projects and associated EUIC rate schedule, the utility may implement the electric utility infrastructure projects.

Subd. 3. **Commission authority; orders.** The commission may issue orders necessary to implement and administer this section.

#### Sec. 4. **[216B.2401] ENERGY CONSERVATION POLICY GOAL.**

It is the energy policy of the state of Minnesota to achieve annual energy savings equal to 1.5 percent of annual retail energy sales of electricity and natural gas directly through energy conservation improvement programs and rate design, and indirectly through energy codes and appliance standards, programs designed to transform the market or change consumer behavior, efficiency improvements to the utility infrastructure and system, and other efforts to promote energy efficiency and energy conservation.

Sec. 5. Minnesota Statutes 2006, section 216B.241, is amended to read:

**216B.241 ENERGY CONSERVATION IMPROVEMENT.**

Subdivision 1. **Definitions.** For purposes of this section and section 216B.16, subdivision 6b, the terms defined in this subdivision have the meanings given them.

(a) "Commission" means the Public Utilities Commission.

(b) "Commissioner" means the commissioner of commerce.

(c) "Customer facility" means all buildings, structures, equipment, and installations at a single site.

(d) "Department" means the Department of Commerce.

(e) "Energy conservation" means demand-side management of energy supplies resulting in a net reduction in energy use. Load management that reduces overall energy use is energy conservation.

(f) "Energy conservation improvement" means a project that results in energy efficiency or energy conservation. Energy conservation improvement does not include waste heat recovery converted into electricity or electric utility infrastructure projects approved by the commission under section 216B.1636.

(g) "Energy efficiency" refers to measures or programs, including energy conservation measures or programs, that target consumer behavior, equipment, processes, or devices designed to produce either an absolute decrease in consumption of electric energy or natural gas or a decrease in consumption of electric energy or natural gas on a per unit of production basis without a reduction in the quality or level of service provided to the energy consumer.

~~(g)~~ (h) "Gross annual retail energy sales" means annual electric sales to all retail customers in a utility's or association's Minnesota service territory or natural gas throughput to all retail customers, including natural gas transportation customers, on a utility's distribution system in Minnesota. For purposes of this section, gross annual retail energy sales exclude gas sales to a large energy facility and gas and electric sales to a large electric customer facility exempted by the commissioner under subdivision 1a, paragraph (b).

(i) "Investments and expenses of a public utility" includes the investments and expenses incurred by a public utility in connection with an energy conservation improvement, including but not limited to:

(1) the differential in interest cost between the market rate and the rate charged on a no-interest or below-market interest loan made by a public utility to a customer for the purchase or installation of an energy conservation improvement;

(2) the difference between the utility's cost of purchase or installation of energy conservation improvements and any price charged by a public utility to a customer for such improvements.

~~(h)~~ (j) "Large electric customer facility" means a customer facility that imposes a peak electrical demand on an electric utility's system of not less than 20,000 kilowatts, measured in the same way as the utility that serves the customer facility measures electrical demand for billing purposes, and for which electric services are provided at retail on a single bill by a utility operating in the state.

~~(i)~~ (k) "Large energy facility" has the meaning given it in section 216B.2421, subdivision 2, clause (1).

(l) "Load management" means an activity, service, or technology to change the timing or the efficiency of a customer's use of energy that allows a utility or a customer to respond to wholesale market fluctuations or to reduce ~~the overall~~ peak demand for energy or capacity.

(m) "Low-income programs" means energy conservation improvement programs that directly serve the needs of low-income persons, including low-income renters.

(n) "Waste heat recovery converted into electricity" means an energy recovery process that converts otherwise lost energy from the heat of exhaust stacks or pipes used for engines or manufacturing or industrial processes, or the reduction of high pressure in water or gas pipelines.

Subd. 1a. **Investment, expenditure, and contribution; public utility.** (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, 0.5 percent of its gross operating revenues from service provided in the state;

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear-powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

For purposes of this paragraph (a), "gross operating revenues" do not include revenues from large electric customer facilities exempted by the commissioner under paragraph (b).

(b) The owner of a large electric customer facility may petition the commissioner to exempt both electric and gas utilities serving the large energy customer facility from the investment and expenditure requirements of paragraph (a) with respect to retail revenues attributable to the facility. At a minimum, the petition must be supported by evidence relating to competitive or economic pressures on the customer and a showing by the customer of reasonable efforts to identify, evaluate, and implement cost-effective conservation improvements at the facility. If a petition is filed on or before October 1 of any year, the order of the commissioner to exempt revenues attributable to the facility can be effective no earlier than January 1 of the following year. The commissioner shall not grant an exemption if the commissioner determines that granting the exemption is contrary to the public interest. The commissioner may, after investigation, rescind any exemption granted under this paragraph upon a determination that ~~cost effective~~ the customer is not continuing to make reasonable efforts to identify, evaluate, and implement energy conservation improvements are available at the large electric customer facility. ~~For the purposes of this paragraph, "cost-effective" means that the projected total cost of the energy conservation improvement at the large electric customer facility is less than the projected present value of the energy and demand savings resulting from the energy conservation improvement.~~ For the purposes of investigations by the commissioner under this paragraph, the owner of any large electric customer facility shall, upon request, provide the commissioner with updated information comparable to that originally supplied in or with the owner's original petition under this paragraph.

(c) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 216B.2422 or 216C.17 projects a peak demand deficit of 100 megawatts or greater within five years under midrange forecast assumptions.

(d) A public utility or owner of a large electric customer facility may appeal a decision of the commissioner under paragraph (b) or (c) to the commission under subdivision 2. In reviewing a decision of the commissioner under paragraph (b) or (c), the commission shall rescind the decision if it finds that the required investments or spending will:

- (1) not result in cost-effective energy conservation improvements; or
- (2) otherwise not be in the public interest.

~~(e) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. A public utility may propose to the commissioner to designate that all or a portion of funds contributed to the account established in subdivision 2a be used for research and development projects that can best be implemented on a statewide basis. Contributions must be remitted to the commissioner by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.~~

Subd. 1b. **Conservation improvement by cooperative association or municipality.** (a) This subdivision applies to:

- (1) a cooperative electric association that provides retail service to its members;
- (2) a municipality that provides electric service to retail customers; and
- (3) a municipality with ~~gross operating revenues in excess of \$5,000,000 from sales of~~ more than 1,000,000,000 cubic feet in annual throughput sales to natural gas to retail customers.

(b) Each cooperative electric association and municipality subject to this subdivision shall spend and invest for energy conservation improvements under this subdivision the following amounts:

- (1) for a municipality, 0.5 percent of its gross operating revenues from the sale of gas and 1.5 percent of its gross operating revenues from the sale of electricity, excluding gross operating revenues from electric and gas service provided in the state to large electric customer facilities; and
- (2) for a cooperative electric association, 1.5 percent of its gross operating revenues from service provided in the state, excluding gross operating revenues from service provided in the state to large electric customer facilities indirectly through a distribution cooperative electric association.

(c) Each municipality and cooperative electric association subject to this subdivision shall identify and implement energy conservation improvement spending and investments that are appropriate for the municipality or association, except that a municipality or association may not spend or invest for energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption under subdivision 1a, paragraph (b).

(d) Each municipality and cooperative electric association subject to this subdivision may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this subdivision on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the municipality or cooperative electric association.

(e) Load-management activities ~~that do not reduce energy use but that increase the efficiency of the electric system~~ may be used to meet 50 percent of the conservation investment and spending requirements of this subdivision.

(f) A generation and transmission cooperative electric association that provides energy services to cooperative electric associations that provide electric service at retail to consumers may invest in energy conservation improvements on behalf of the associations it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis. A municipal power agency or other not-for-profit entity that provides energy service to municipal utilities that provide electric service at retail may invest in energy conservation improvements on behalf of the municipal utilities it serves and may fulfill the conservation, spending, reporting, and energy savings goals on an aggregate basis, under an agreement between the municipal power agency or not-for-profit entity and each municipal utility for funding the investments.

~~(g) At least every four years, on a schedule determined by the commissioner, each municipality or cooperative shall file an overview of its conservation improvement plan with the commissioner. With this overview, Each municipality or cooperative shall file energy conservation improvement plans by June 1 on a schedule determined by order of the commissioner, but at least every three years. Plans received by June 1 must be approved or approved as modified by the commissioner by December 1 of the same year. The municipality or cooperative shall also provide an evaluation to the commissioner detailing its energy conservation improvement spending and investments for the previous period. The evaluation must briefly describe each conservation program and must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility or association that is the result of the spending and investments. The evaluation must analyze the cost-effectiveness of the utility's or association's conservation programs, using a list of baseline energy and capacity savings assumptions developed in consultation with the department. The commissioner shall review each evaluation and make recommendations, where appropriate, to the municipality or association to increase the effectiveness of conservation improvement activities. Up to three percent of a utility's conservation spending obligation under this section may be used for program pre evaluation, testing, and monitoring and program evaluation. The overview and evaluation filed by a municipality with less than 60,000,000 kilowatt hours in annual retail sales of electric service may consist of a letter from the governing board of the municipal utility to the department providing the amount of annual conservation spending required of that municipality and certifying that the required amount has been spent on conservation programs pursuant to this subdivision.~~

~~(h) The commissioner shall also review each evaluation for whether a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low-income persons unless an insufficient number of appropriate programs are available. For the purposes of this subdivision and subdivision 2, "low income" means an income at or below 50 percent of the state median income.~~

~~(i) As part of its spending for conservation improvement, a municipality or association may contribute to the energy and conservation account. A municipality or association may propose to the commissioner to designate that all or a portion of funds contributed to the account be used for research and development projects that can best be implemented on a statewide basis. Any amount contributed must be remitted to the commissioner by February 1 of each year.~~

~~(j) (h) A municipality may spend up to 50 percent of its required spending under this section to refurbish an existing district heating or cooling system. This paragraph expires until July 1, 2007. From July 1, 2007, through June 30, 2011, expenditures made to refurbish a district heating or cooling system are considered to be load-management activities under paragraph (e). This paragraph expires July 1, 2011.~~

(i) The commissioner shall consider and may require a utility, association, or other entity providing energy efficiency and conservation services under this section to undertake a program suggested by an outside source, including a political subdivision, nonprofit corporation, or community organization.

Subd. 1c. **Energy-saving goals.** (a) The commissioner shall establish energy-saving goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

(b) Each individual utility and association shall have an annual energy-savings goal equivalent to 1.5 percent of gross annual retail energy sales unless modified by the commissioner under paragraph (d). The savings goals must be calculated based on the most recent three-year weather normalized average.

(c) The commissioner must adopt a filing schedule that is designed to have all utilities and associations operating under an energy savings plan by calendar year 2010.

(d) In its energy conservation improvement plan filing, a utility or association may request the commissioner to adjust its annual energy savings percentage goal based on its historical conservation investment experience, customer class makeup, load growth, a conservation potential study, or other factors the commissioner determines warrants an adjustment. The commissioner may not approve a plan that provides for an annual energy savings goal of less than one percent of gross annual retail energy sales from energy conservation improvements. A utility or association may include in its energy conservation plan energy savings from an electric utility infrastructure project or waste heat recovery converted into electricity project approved by the commission under section 216B.1636 that may count as energy savings in addition to the minimum energy savings goal of at least one percent for energy conservation improvements. Electric utility infrastructure projects must result in increased energy efficiency greater than that which would have occurred through normal maintenance activity.

(e) An energy savings goal is not satisfied by attaining the revenue expenditure requirements of subdivisions 1a and 1b, but can only be satisfied by meeting the energy savings goal established in this subdivision.

(f) An association or utility is not required to make energy conservation investments to attain the energy savings goals of this subdivision that are not cost-effective even if the investment is necessary to attain the energy savings goals. For the purpose of this paragraph, in determining cost-effectiveness, the commissioner shall consider the costs and benefits to ratepayers, the utility, participants, and society. In addition, the commissioner shall consider the rate at which an association or municipal utility is increasing its energy savings and its expenditures on energy conservation.

(g) On an annual basis, the commissioner shall produce and make publicly available a report on the annual energy savings and estimated carbon dioxide reductions achieved by the energy conservation improvement programs for the two most recent years for which data is available. The commissioner shall report on program performance both in the aggregate and for each entity filing an energy conservation improvement plan for approval or review by the commissioner.

(h) By January 15, 2010, the commissioner shall report to the legislature whether the spending requirements under subdivisions 1a and 1b are necessary to achieve the energy savings goals established in this subdivision.

Subd. 1d. ~~Cooperative conservation investment increase phase in~~ **Technical assistance.** ~~The increase in required conservation improvement expenditures by a cooperative electric association that results from the amendments in Laws 2001, chapter 212, article 8, section 6, to subdivision 1b, paragraph (a), clause (1), must be phased in as follows:~~

- ~~(1) at least 25 percent shall be effective in year 2002;~~
- ~~(2) at least 50 percent shall be effective in year 2003;~~
- ~~(3) at least 75 percent shall be effective in year 2004; and~~
- ~~(4) all of the increase shall be effective in year 2005 and thereafter.~~

The commissioner shall evaluate energy conservation improvement programs on the basis of cost-effectiveness and the reliability of the technologies employed. The commissioner shall, by order, establish, maintain, and update energy savings assumptions that must be used when filing energy conservation improvement programs. The commissioner shall establish an inventory of the most effective energy conservation programs, techniques, and technologies, and encourage all Minnesota utilities to implement them, where appropriate, in their service territories. The commissioner shall describe these programs in sufficient detail to provide a utility reasonable guidance concerning implementation. The commissioner shall prioritize the opportunities in order of potential energy savings and in order of cost-effectiveness. The commissioner may contract with a third party to carry out any of the commissioner's duties under this subdivision, and to obtain technical assistance to evaluate the effectiveness of any conservation improvement program. The commissioner may assess up to \$800,000 annually until June 30, 2009, and \$450,000 annually thereafter for the purposes of this subdivision. The assessments must be deposited into the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

Subd. 1e. **Applied research and development grants.** The commissioner may, by order, approve and make grants for applied research and development projects of general applicability that identify new technologies or strategies to maximize energy savings, improve the effectiveness of energy conservation programs, or document the carbon dioxide reductions from energy conservation programs. When approving projects, the commissioner shall consider proposals and comments from utilities and other interested parties. The commissioner may assess up to \$3,600,000 annually for the purposes of this subdivision. The assessments must be deposited into the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

Subd. 1f. **Facilities energy efficiency.** (a) The Department of Administration and the Department of Commerce shall maintain and, as needed, revise the sustainable building design guidelines developed under section 16B.325.

(b) The Department of Administration and the Department of Commerce shall maintain and update the benchmarking tool developed under Laws 2001, chapter 212, article 1, section 3, so that all public buildings can use the benchmarking tool to maintain energy use information for the purposes of establishing energy efficiency benchmarks, tracking building performance and measuring the results of energy efficiency and conservation improvements.

(c) The commissioner shall require that utilities include in their conservation improvement plans programs that facilitate professional engineering verification to qualify a building as Energy Star-labeled or as Leadership in Energy and Environmental Design (LEED) certified. The state goal is to achieve certification of 1,000 commercial buildings as Energy Star-labeled, and 100 commercial buildings as LEED-certified by December 31, 2010.

(d) The commissioner may assess up to \$500,000 annually for the purposes of this subdivision. The assessments must be deposited into the energy and conservation account created under subdivision 2a. An assessment made under this subdivision is not subject to the cap on assessments provided by section 216B.62, or any other law.

Subd. 2. **Programs.** (a) The commissioner may require public utilities to make investments and expenditures in energy conservation improvements, explicitly setting forth the interest rates, prices, and terms under which the improvements must be offered to the customers. The required programs must cover no more than a ~~four year~~ three-year period. Public utilities shall file conservation improvement plans by June 1, on a schedule determined by order of the commissioner, but at least every ~~four~~ three years. Plans received by a public utility by June 1 must be approved or approved as modified by the commissioner by December 1 of that same year. ~~The commissioner shall give special consideration and encouragement to programs that bring about significant net savings through the use of energy efficient lighting.~~ The commissioner shall evaluate the program on the basis of cost-effectiveness and the reliability of technologies employed. The commissioner's order must provide to the extent practicable for a free choice, by consumers participating in the program, of the device, method, material, or project constituting the energy

conservation improvement and for a free choice of the seller, installer, or contractor of the energy conservation improvement, provided that the device, method, material, or project seller, installer, or contractor is duly licensed, certified, approved, or qualified, including under the residential conservation services program, where applicable.

(b) The commissioner may require a utility to make an energy conservation improvement investment or expenditure whenever the commissioner finds that the improvement will result in energy savings at a total cost to the utility less than the cost to the utility to produce or purchase an equivalent amount of new supply of energy. The commissioner shall nevertheless ensure that every public utility operate one or more programs under periodic review by the department.

(c) Each public utility subject to subdivision 1a may spend and invest annually up to ten percent of the total amount required to be spent and invested on energy conservation improvements under this section by the utility on research and development projects that meet the definition of energy conservation improvement in subdivision 1 and that are funded directly by the public utility.

(d) A public utility may not spend for or invest in energy conservation improvements that directly benefit a large energy facility or a large electric customer facility for which the commissioner has issued an exemption pursuant to subdivision 1a, paragraph (b). The commissioner shall consider and may require a utility to undertake a program suggested by an outside source, including a political subdivision ~~or~~, a nonprofit corporation, or community organization.

~~(e) The commissioner may, by order, establish a list of programs that may be offered as energy conservation improvements by a public utility, municipal utility, cooperative electric association, or other entity providing conservation services pursuant to this section. The list of programs may include rebates for high efficiency appliances, rebates or subsidies for high efficiency lamps, small business energy audits, and building recommissioning. The commissioner may, by order, change this list to add or subtract programs as the commissioner determines is necessary to promote efficient and effective conservation programs.~~

~~(f) The commissioner shall ensure that a portion of the money spent on residential conservation improvement programs is devoted to programs that directly address the needs of renters and low income persons, in proportion to the amount the utility has historically spent on such programs based on the most recent three year average relative to the utility's total conservation spending under this section, unless an insufficient number of appropriate programs are available.~~

~~(g)~~ (e) A utility, a political subdivision, or a nonprofit or community organization that has suggested a program, the attorney general acting on behalf of consumers and small business interests, or a utility customer that has suggested a program and is not represented by the attorney general under section 8.33 may petition the commission to modify or revoke a department decision under this section, and the commission may do so if it determines that the program is not cost-effective, does not adequately address the residential conservation improvement needs of low-income persons, has a long-range negative effect on one or more classes of customers, or is otherwise not in the public interest. The commission shall reject a petition that, on its face, fails to make a reasonable argument that a program is not in the public interest.

~~(h)~~ (f) The commissioner may order a public utility to include, with the filing of the utility's proposed conservation improvement plan under paragraph (a), the results of an independent audit of the utility's conservation improvement programs and expenditures performed by the department or an auditor with experience in the provision of energy conservation and energy efficiency services approved by the commissioner and chosen by the utility. The audit must specify the energy savings or increased efficiency in the use of energy within the service territory of the utility that is the result of the spending and investments. The audit must evaluate the cost-effectiveness of the utility's conservation programs.

~~(i) Up to three percent of a utility's conservation spending obligation under this section may be used for program pre-evaluation, testing, and monitoring and program audit and evaluation.~~

Subd. 2a. **Energy and conservation account.** ~~The energy and conservation account is established in the special revenue fund in the state treasury. The commissioner must deposit money contributed under subdivisions 1a and 1b assessed or contributed under subdivisions 1d, 1e, 1f, and 7 in the energy and conservation account in the general special revenue fund. Money in the account is appropriated to the department for programs designed to meet the energy conservation needs of low income persons and to make energy conservation improvements in areas not adequately served under subdivision 2, including research and development projects included in the definition of energy conservation improvement in subdivision 1 the purposes of subdivisions 1d, 1e, 1f, and 7. Interest on money in the account accrues to the account. Using information collected under section 216C.02, subdivision 1, paragraph (b), the commissioner must, to the extent possible, allocate enough money to programs for low income persons to assure that their needs are being adequately addressed. The commissioner must request the commissioner of finance to transfer money from the account to the commissioner of education for an energy conservation program for low-income persons. In establishing programs, the commissioner must consult political subdivisions and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low income persons. At least one program must address the need for energy conservation improvements in areas in which a high percentage of residents use fuel oil or propane to fuel their source of home heating. The commissioner may contract with a political subdivision, a nonprofit or community organization, a public utility, a municipality, or a cooperative electric association to implement its programs. The commissioner may provide grants to any person to conduct research and development projects in accordance with this section.~~

Subd. 2b. **Recovery of expenses.** The commission shall allow a utility to recover expenses resulting from a conservation improvement program required by the department and contributions and assessments to the energy and conservation account, unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. The commission shall allow a cooperative electric association subject to rate regulation under section 216B.026, to recover expenses resulting from energy conservation improvement programs, load management programs, and assessments and contributions to the energy and conservation account unless the recovery would be inconsistent with a financial incentive proposal approved by the commission. In addition, a utility may file annually, or the Public Utilities Commission may require the utility to file, and the commission may approve, rate schedules containing provisions for the automatic adjustment of charges for utility service in direct relation to changes in the expenses of the utility for real and personal property taxes, fees, and permits, the amounts of which the utility cannot control. A public utility is eligible to file for adjustment for real and personal property taxes, fees, and permits under this subdivision only if, in the year previous to the year in which it files for adjustment, it has spent or invested at least 1.75 percent of its gross revenues from provision of electric service, excluding gross operating revenues from electric service provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), and 0.6 percent of its gross revenues from provision of gas service, excluding gross operating revenues from gas services provided in the state to large electric customer facilities for which the commissioner has issued an exemption under subdivision 1a, paragraph (b), for that year for energy conservation improvements under this section.

Subd. 2c. **Performance incentives.** By December 31, 2008, the commission shall review any incentive plan for energy conservation improvement it has approved under 216B.16, subdivision 6c, and adjust the utility performance incentives to recognize making progress toward and meeting the energy savings goals established in subdivision 1c.

Subd. 3. **Ownership of energy conservation improvement.** An energy conservation improvement made to or installed in a building in accordance with this section, except systems owned by the utility and designed to turn off, limit, or vary the delivery of energy, are the exclusive property of the owner of the building except to the extent that the improvement is subjected to a security interest in favor of the utility in case of a loan to the building owner. The utility has no liability for loss, damage or injury caused directly or indirectly by an energy conservation improvement except for negligence by the utility in purchase, installation, or modification of the product.

Subd. 4. **Federal law prohibitions.** If investments by public utilities in energy conservation improvements are in any manner prohibited or restricted by federal law and there is a provision under which the prohibition or restriction may be waived, then the commission, the governor, or any other necessary state agency or officer shall take all necessary and appropriate steps to secure a waiver with respect to those public utility investments in energy conservation improvements included in this section.

Subd. 5. **Efficient lighting program.** (a) Each public utility, cooperative electric association, and municipal utility that provides electric service to retail customers shall include as part of its conservation improvement activities a program to strongly encourage the use of fluorescent and high-intensity discharge lamps. The program must include at least a public information campaign to encourage use of the lamps and proper management of spent lamps by all customer classifications.

(b) A public utility that provides electric service at retail to 200,000 or more customers shall establish, either directly or through contracts with other persons, including lamp manufacturers, distributors, wholesalers, and retailers and local government units, a system to collect for delivery to a reclamation or recycling facility spent fluorescent and high-intensity discharge lamps from households and from small businesses as defined in section 645.445 that generate an average of fewer than ten spent lamps per year.

(c) A collection system must include establishing reasonably convenient locations for collecting spent lamps from households and financial incentives sufficient to encourage spent lamp generators to take the lamps to the collection locations. Financial incentives may include coupons for purchase of new fluorescent or high-intensity discharge lamps, a cash back system, or any other financial incentive or group of incentives designed to collect the maximum number of spent lamps from households and small businesses that is reasonably feasible.

(d) A public utility that provides electric service at retail to fewer than 200,000 customers, a cooperative electric association, or a municipal utility that provides electric service at retail to customers may establish a collection system under paragraphs (b) and (c) as part of conservation improvement activities required under this section.

(e) The commissioner of the Pollution Control Agency may not, unless clearly required by federal law, require a public utility, cooperative electric association, or municipality that establishes a household fluorescent and high-intensity discharge lamp collection system under this section to manage the lamps as hazardous waste as long as the lamps are managed to avoid breakage and are delivered to a recycling or reclamation facility that removes mercury and other toxic materials contained in the lamps prior to placement of the lamps in solid waste.

(f) If a public utility, cooperative electric association, or municipal utility contracts with a local government unit to provide a collection system under this subdivision, the contract must provide for payment to the local government unit of all the unit's incremental costs of collecting and managing spent lamps.

(g) All the costs incurred by a public utility, cooperative electric association, or municipal utility for promotion and collection of fluorescent and high-intensity discharge lamps under this subdivision are conservation improvement spending under this section.

Subd. 6. **Renewable energy research.** (a) A public utility that owns a nuclear generation facility in the state shall spend five percent of the total amount that utility is required to spend under this section to support basic and applied research and demonstration activities at the University of Minnesota Initiative for Renewable Energy and the Environment for the development of renewable energy sources and technologies. The utility shall transfer the required amount to the University of Minnesota on or before July 1 of each year and that annual amount shall be deducted from the amount of money the utility is required to spend under this section. The University of Minnesota shall transfer at least ten percent of these funds to at least one rural campus or experiment station.

(b) Research funded under this subdivision shall include:

(1) development of environmentally sound production, distribution, and use of energy, chemicals, and materials from renewable sources;

(2) processing and utilization of agricultural and forestry plant products and other bio-based, renewable sources as a substitute for fossil-fuel-based energy, chemicals, and materials using a variety of means including biocatalysis, biorefining, and fermentation;

(3) conversion of state wind resources to hydrogen for energy storage and transportation to areas of energy demand;

(4) improvements in scalable hydrogen fuel cell technologies; and

(5) production of hydrogen from bio-based, renewable sources; and sequestration of carbon.

(c) Notwithstanding other law to the contrary, the utility may, but is not required to, spend more than two percent of its gross operating revenues from service provided in this state under this section or section 216B.2411.

(d) This subdivision expires June 30, 2008.

**Subd. 7. Low-income programs.** (a) The commissioner shall ensure that each utility and association provides low-income programs. When approving spending and energy savings goals for low-income programs, the commissioner shall consider historic spending and participation levels, energy savings for low-income programs, and the number of low-income persons residing in the utility's service territory. A utility that furnishes gas service must spend at least 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs. A utility or association that furnishes electric service must spend at least 0.1 percent of its gross operating revenue from residential customers in the state on low-income programs. For a generation and transmission cooperative association, this requirement shall apply to each association's members' aggregate gross operating revenue from sale of electricity to residential customers in the state. Beginning in 2010, a utility or association that furnishes electric service must spend 0.2 percent of its gross operating revenue from residential customers in the state on low-income programs.

(b) To meet the requirements of paragraph (a), a utility or association may contribute funds to the energy and conservation account. An energy conservation improvement plan must state the amount, if any, of low-income energy conservation improvement funds the utility or association will contribute to the energy and conservation account. Contributions must be remitted to the commissioner by February 1 of each year.

(c) The commissioner shall establish low-income programs to utilize funds contributed to the energy and conservation account under paragraph (b). In establishing low-income programs, the commissioner shall consult political subdivisions, utilities, and nonprofit and community organizations, especially organizations engaged in providing energy and weatherization assistance to low-income persons. Money contributed to the energy and conservation account under paragraph (b) must provide programs for low-income persons, including low-income renters, in the service territory of the utility or association providing the funds. The commissioner shall record and report expenditures and energy savings achieved as a result of low-income programs funded through the energy and conservation account in the report required under subdivision 1c, paragraph (g). The commissioner may contract with a political subdivision, nonprofit or community organization, public utility, municipality, or cooperative electric association to implement low-income programs funded through the energy and conservation account.

(d) A utility or association may petition the commissioner to modify its required spending under paragraph (a) if the utility or association and the commissioner have been unable to expend the amount required under paragraph (a) for three consecutive years.

Subd. 8. **Assessment.** The commission or department may assess utilities subject to this section in proportion to their respective gross operating revenue from sales of gas or electric service within the state during the last calendar year to carry out the purposes of subdivisions 1d, 1e, and 1f. Those assessments are not subject to the cap on assessments provided by section 216B.62, or any other law.

Sec. 6. **[216B.2412] DECOUPLING OF ENERGY SALES FROM REVENUES.**

Subdivision 1. **Definition and purpose.** For the purpose of this section, "decoupling" means a regulatory tool designed to separate a utility's revenue from changes in energy sales. The purpose of decoupling is to reduce a utility's disincentive to promote energy efficiency.

Subd. 2. **Decoupling criteria.** The commission shall, by order, establish criteria and standards for decoupling. The commission shall design the criteria and standards to mitigate the impact on public utilities of the energy savings goals under section 216B.241 without adversely affecting utility ratepayers. In designing the criteria, the commission shall consider energy efficiency, weather, and cost of capital, among other factors.

Subd. 3. **Pilot programs.** The commission shall allow one or more rate-regulated utilities to participate in a pilot program to assess the merits of a rate-decoupling strategy to promote energy efficiency and conservation. Each pilot program must utilize the criteria and standards established in subdivision 2 and be designed to determine whether a rate-decoupling strategy achieves energy savings. On or before a date established by the commission, the commission shall require electric and gas utilities that intend to implement a decoupling program to file a decoupling pilot plan which shall be approved or approved as modified by the commission. A pilot program may not exceed three years in length. Any extension beyond three years can only be approved in a general rate case, unless that decoupling program was previously approved as part of a general rate case. The commission shall report on the programs annually to the chairs of the house of representatives and senate committees with primary jurisdiction over energy policy.

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

The revisor of statutes shall change the reference to "section 216B.241, subdivision 1, paragraph (i)" found in section 216B.2411, subdivision 1, to read "section 216B.241, subdivision 1."

Sec. 8. **EFFECTIVE DATE.**

This article is effective July 1, 2007.

ARTICLE 2

MISCELLANEOUS

Section 1. Minnesota Statutes 2006, section 123B.65, subdivision 2, is amended to read:

Subd. 2. **Energy efficiency contract.** (a) Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

(b) Before entering into a contract under this subdivision, the board shall comply with clauses (1) to (5).

(1) The board must seek proposals from multiple qualified providers by publishing notice of the proposed guaranteed energy savings contract in the board's official newspaper and in other publications if the board determines that additional publication is necessary to notify multiple qualified providers.

(2) The school board must select the qualified provider that best meets the needs of the board. The board must provide public notice of the meeting at which it will select the qualified provider.

(3) The contract between the board and the qualified provider must describe the methods that will be used to calculate the costs of the contract and the operational and energy savings attributable to the contract.

(4) The qualified provider shall issue a report to the board giving a description of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and giving detailed calculations of the amounts by which energy or operating costs will be reduced and the projected payback schedule in years.

(5) The board must provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

(c) The board must provide a copy of any contract entered into under paragraph (a) and the report provided under paragraph (b), clause (4), to the commissioner of commerce within 30 days of the effective date of the contract.

Sec. 2. Minnesota Statutes 2006, section 216C.31, is amended to read:

#### **216C.31 ENERGY AUDIT PROGRAMS.**

The commissioner shall develop ~~and administer~~ state programs of energy audits of residential and commercial buildings including ~~those required by United States Code, title 42, sections 8211 to 8222 and sections 8281 to 8284. The commissioner shall continue to administer the residential energy audit program as originally established under the provisions of United States Code, title 42, sections 8211 to 8222; through July 1, 1986 irrespective of any prior expiration date provided in United States Code, title 42, section 8216. The commissioner may approve temporary programs if they are likely to result in the installation of as many conservation measures as would have been installed had the utility met the requirements of United States Code, title 42, sections 8211 to 8222. The Consumer Services Division and the attorney general may release information on consumer comments about the operation of the program to the commissioner the training and qualifications necessary for the auditing of residential and commercial buildings under the auspices of a program created under section 216B.2412.~~

Sec. 3. Minnesota Statutes 2006, section 471.345, subdivision 13, is amended to read:

Subd. 13. **Energy efficiency projects.** The following definitions apply to this subdivision.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

(1) insulation of the building structure and systems within the building;

(2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;

(3) automatic energy control systems;

(4) heating, ventilating, or air conditioning system modifications or replacements;

(5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless an increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;

(6) energy recovery systems;

(7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;

(8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed 15 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the municipality for its faithful performance.

Notwithstanding any law to the contrary, a municipality may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

Before entering into a contract under this subdivision, the municipality shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates of the amounts by which energy or operating costs will be reduced.

A guaranteed energy savings contract that includes a written guarantee that savings will meet or exceed the cost of energy conservation measures is not subject to competitive bidding requirements of section 471.345 or other law or city charter. The contract is not subject to section 123B.52.

A municipality may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report, it finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over 15 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed 15 years.

A municipality may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than 1/15 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a 15-year term from the date of the first operation.

A municipality entering into a guaranteed energy savings contract shall provide a copy of the contract and the report from the qualified provider to the commissioner of commerce within 30 days of the effective date of the contract.

Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The municipality shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a municipality to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the municipality's obligations under the contracts.

Sec. 4. Minnesota Statutes 2006, section 504B.161, subdivision 1, is amended to read:

Subdivision 1. **Requirements.** (a) In every lease or license of residential premises, the landlord or licensor covenants:

(1) that the premises and all common areas are fit for the use intended by the parties;

(2) to keep the premises in reasonable repair during the term of the lease or license, except when the disrepair has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee; ~~and~~

(3) to make the premises reasonably energy efficient by installing weatherstripping, caulking, storm windows, and storm doors when any such measure will result in energy procurement cost savings, based on current and projected average residential energy costs in Minnesota, that will exceed the cost of implementing that measure, including interest, amortized over the ten-year period following the incurring of the cost; and

~~(4) to maintain the premises in compliance with the applicable health and safety laws of the state, including the weatherstripping, caulking, storm window, and storm door energy efficiency standards for renter occupied residences prescribed by section 216C.27, subdivisions 1 and 3, and of the local units of government where the premises are located during the term of the lease or license, except when violation of the health and safety laws has been caused by the willful, malicious, or irresponsible conduct of the tenant or licensee or a person under the direction or control of the tenant or licensee.~~

(b) The parties to a lease or license of residential premises may not waive or modify the covenants imposed by this section.

Sec. 5. **REPEALER.**

Minnesota Statutes 2006, sections 216B.165; 216C.27; and 216C.30, subdivision 5, and Minnesota Rules, parts 7635.0100; 7635.0110; 7635.0120; 7635.0130; 7635.0140; 7635.0150; 7635.0160; 7635.0170; 7635.0180; 7635.0200; 7635.0210; 7635.0220; 7635.0230; 7635.0240; 7635.0250; 7635.0260; 7635.0300; 7635.0310; 7635.0320; 7635.0330; 7635.0340; 7635.0400; 7635.0410; 7635.0420; 7635.0500; 7635.0510; 7635.0520; 7635.0530; 7635.0600; 7635.0610; 7635.0620; 7635.0630; 7635.0640; 7635.1000; 7635.1010; 7635.1020; 7635.1030; 7655.0100; 7655.0120; 7655.0200; 7655.0210; 7655.0220; 7655.0230; 7655.0240; 7655.0250; 7655.0260; 7655.0270; 7655.0280; 7655.0290; 7655.0300; 7655.0310; 7655.0320; 7655.0330; 7655.0400; 7655.0410; and 7655.0420, are repealed, effective July 1, 2007.

Sec. 6. **EFFECTIVE DATE.**

This article is effective July 1, 2007."

Delete the title and insert:

"A bill for an act relating to energy; modifying provisions relating to energy efficiency, conservation, savings, and audits; amending Minnesota Statutes 2006, sections 123B.65, subdivision 2; 216B.16, subdivisions 1, 6b; 216B.241; 216C.31; 471.345, subdivision 13; 504B.161, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 2006, sections 216B.165; 216C.27; 216C.30, subdivision 5; Minnesota Rules, parts 7635.0100; 7635.0110; 7635.0120; 7635.0130; 7635.0140; 7635.0150; 7635.0160; 7635.0170; 7635.0180; 7635.0200; 7635.0210; 7635.0220; 7635.0230; 7635.0240; 7635.0250; 7635.0260; 7635.0300; 7635.0310; 7635.0320; 7635.0330; 7635.0340; 7635.0400; 7635.0410; 7635.0420; 7635.0500; 7635.0510; 7635.0520; 7635.0530; 7635.0600; 7635.0610; 7635.0620; 7635.0630; 7635.0640; 7635.1000; 7635.1010; 7635.1020; 7635.1030; 7655.0100; 7655.0120; 7655.0200; 7655.0210; 7655.0220; 7655.0230; 7655.0240; 7655.0250; 7655.0260; 7655.0270; 7655.0280; 7655.0290; 7655.0300; 7655.0310; 7655.0320; 7655.0330; 7655.0400; 7655.0410; 7655.0420."

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

The report was adopted.

Carlson from the Committee on Finance to which was referred:

H. F. No. 1264, A bill for an act relating to taxation; individual income; allowing a credit for contributions for early childhood education access grants and a credit for early childhood educational expenses; requiring a report; amending Minnesota Statutes 2006, sections 13.46, subdivision 2; 119B.09, subdivision 1; 290.01, subdivisions 19b, 19c; 290.0674, subdivisions 1, 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 119B.09, subdivision 1, is amended to read:

Subdivision 1. **General eligibility requirements for all applicants for child care assistance.** (a) Child care services must be available to families who need child care to find or keep employment or to obtain the training or education necessary to find employment and who:

(1) have household income less than or equal to 250 percent of the federal poverty guidelines, adjusted for family size, and meet the requirements of section 119B.05; receive MFIP assistance; and are participating in employment and training services under chapter 256J or 256K; or

(2) have household income less than or equal to 175 percent of the federal poverty guidelines, adjusted for family size, at program entry and less than 250 percent of the federal poverty guidelines, adjusted for family size, at program exit.

(b) Child care services must be made available as in-kind services.

(c) All applicants for child care assistance and families currently receiving child care assistance must be assisted and required to cooperate in establishment of paternity and enforcement of child support obligations for all children in the family as a condition of program eligibility. For purposes of this section, a family is considered to meet the requirement for cooperation when the family complies with the requirements of section 256.741.

(d) All applicants for and recipients of child care assistance under section 119B.03 who meet all eligibility requirements under this chapter but are receiving one or more early childhood education access grants under section 290.0678, subdivision 2, clause (2), must have the amount of the early childhood education access grant or grants deducted from the total amount of assistance for which the family would otherwise be eligible under this chapter.

Sec. 2. Minnesota Statutes 2006, section 290.01, subdivision 19b, is amended to read:

Subd. 19b. **Subtractions from federal taxable income.** For individuals, estates, and trusts, there shall be subtracted from federal taxable income:

(1) net interest income on obligations of any authority, commission, or instrumentality of the United States to the extent includable in taxable income for federal income tax purposes but exempt from state income tax under the laws of the United States;

(2) if included in federal taxable income, the amount of any overpayment of income tax to Minnesota or to any other state, for any previous taxable year, whether the amount is received as a refund or as a credit to another taxable year's income tax liability;

(3) the amount paid to others, less the amount used to claim the credit allowed under section 290.0674, not to exceed \$1,625 for each qualifying child in grades ~~kindergarten~~ 1 to 6 and \$2,500 for each qualifying child in grades 7 to 12, for tuition, textbooks, and transportation of each qualifying child in attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A. For the purposes of this clause, "tuition" includes fees or tuition as defined in section 290.0674, subdivision 1, clause (1). As used in this clause, "textbooks" includes books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. Equipment expenses qualifying for deduction includes expenses as defined and limited in section 290.0674, subdivision 1, clause (3). "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for, or transportation to, extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs. For purposes of the subtraction provided by this clause, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code;

(4) income as provided under section 290.0802;

(5) to the extent included in federal adjusted gross income, income realized on disposition of property exempt from tax under section 290.491;

(6) to the extent not deducted in determining federal taxable income by an individual who does not itemize deductions for federal income tax purposes for the taxable year, an amount equal to 50 percent of the excess of charitable contributions over \$500 allowable as a deduction for the taxable year under section 170(a) of the Internal Revenue Code and under the provisions of Public Law 109-1;

(7) for taxable years beginning before January 1, 2008, the amount of the federal small ethanol producer credit allowed under section 40(a)(3) of the Internal Revenue Code which is included in gross income under section 87 of the Internal Revenue Code;

(8) for individuals who are allowed a federal foreign tax credit for taxes that do not qualify for a credit under section 290.06, subdivision 22, an amount equal to the carryover of subnational foreign taxes for the taxable year, but not to exceed the total subnational foreign taxes reported in claiming the foreign tax credit. For purposes of this clause, "federal foreign tax credit" means the credit allowed under section 27 of the Internal Revenue Code, and "carryover of subnational foreign taxes" equals the carryover allowed under section 904(c) of the Internal Revenue Code minus national level foreign taxes to the extent they exceed the federal foreign tax credit;

(9) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (7), or 19c, clause (15), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the delayed depreciation. For purposes of this clause, "delayed depreciation" means the amount of the addition made by the taxpayer under subdivision 19a, clause (7), or subdivision 19c, clause (15), in the case of a shareholder of an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. The resulting delayed depreciation cannot be less than zero;

(10) job opportunity building zone income as provided under section 469.316;

(11) the amount of compensation paid to members of the Minnesota National Guard or other reserve components of the United States military for active service performed in Minnesota, excluding compensation for services performed under the Active Guard Reserve (AGR) program. For purposes of this clause, "active service" means (i) state active service as defined in section 190.05, subdivision 5a, clause (1); (ii) federally funded state active service as defined in section 190.05, subdivision 5b; or (iii) federal active service as defined in section 190.05, subdivision 5c, but "active service" excludes services performed exclusively for purposes of basic combat training, advanced individual training, annual training, and periodic inactive duty training; special training periodically made available to reserve members; and service performed in accordance with section 190.08, subdivision 3;

(12) the amount of compensation paid to Minnesota residents who are members of the armed forces of the United States or United Nations for active duty performed outside Minnesota;

(13) an amount, not to exceed \$10,000, equal to qualified expenses related to a qualified donor's donation, while living, of one or more of the qualified donor's organs to another person for human organ transplantation. For purposes of this clause, "organ" means all or part of an individual's liver, pancreas, kidney, intestine, lung, or bone marrow; "human organ transplantation" means the medical procedure by which transfer of a human organ is made from the body of one person to the body of another person; "qualified expenses" means unreimbursed expenses for both the individual and the qualified donor for (i) travel, (ii) lodging, and (iii) lost wages net of sick pay, except that such expenses may be subtracted under this clause only once; and "qualified donor" means the individual or the individual's dependent, as defined in section 152 of the Internal Revenue Code. An individual may claim the subtraction in this clause for each instance of organ donation for transplantation during the taxable year in which the qualified expenses occur;

(14) in each of the five tax years immediately following the tax year in which an addition is required under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, an amount equal to one-fifth of the addition made by the taxpayer under subdivision 19a, clause (8), or 19c, clause (16), in the case of a shareholder of a corporation that is an S corporation, minus the positive value of any net operating loss under section 172 of the Internal Revenue Code generated for the tax year of the addition. If the net operating loss exceeds the addition for the tax year, a subtraction is not allowed under this clause;

(15) to the extent included in federal taxable income, compensation paid to a nonresident who is a service member as defined in United States Code, title 10, section 101(a)(5), for military service as defined in the Service Member Civil Relief Act, Public Law 108-189, section 101(2); and

(16) international economic development zone income as provided under section 469.325.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007.

Sec. 3. Minnesota Statutes 2006, section 290.01, subdivision 19c, is amended to read:

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

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

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

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

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

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

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

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

(8) the exempt foreign trade income of a foreign sales corporation under sections 921(a) and 291 of the Internal Revenue Code;

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

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

(11) the amount of any deemed dividend from a foreign operating corporation determined pursuant to section 290.17, subdivision 4, paragraph (g);

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

(13) the amount of net income excluded under section 114 of the Internal Revenue Code;

(14) any increase in subpart F income, as defined in section 952(a) of the Internal Revenue Code, for the taxable year when subpart F income is calculated without regard to the provisions of section 103 of Public Law 109-222;

(15) 80 percent of the depreciation deduction allowed under section 168(k)(1)(A) and (k)(4)(A) of the Internal Revenue Code. For purposes of this clause, if the taxpayer has an activity that in the taxable year generates a deduction for depreciation under section 168(k)(1)(A) and (k)(4)(A) and the activity generates a loss for the taxable year that the taxpayer is not allowed to claim for the taxable year, "the depreciation allowed under section 168(k)(1)(A) and (k)(4)(A)" for the taxable year is limited to excess of the depreciation claimed by the activity under section 168(k)(1)(A) and (k)(4)(A) over the amount of the loss from the activity that is not allowed in the taxable year. In succeeding taxable years when the losses not allowed in the taxable year are allowed, the depreciation under section 168(k)(1)(A) and (k)(4)(A) is allowed;

(16) 80 percent of the amount by which the deduction allowed by section 179 of the Internal Revenue Code exceeds the deduction allowable by section 179 of the Internal Revenue Code of 1986, as amended through December 31, 2003;

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

(18) the exclusion allowed under section 139A of the Internal Revenue Code for federal subsidies for prescription drug plans; and

(19) the amount deducted under section 170 of the Internal Revenue Code that represents contributions for early childhood education access grants for which a credit is claimed under section 290.0678.

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

Sec. 4. Minnesota Statutes 2006, section 290.0674, subdivision 1, is amended to read:

Subdivision 1. **Credit allowed; grades 1 through 12.** (a) An individual is allowed a credit against the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for education-related expenses for a qualifying child in ~~kindergarten~~ grade 1 through grade 12. For purposes of this ~~section~~ subdivision, "education-related expenses" means:

(1) fees or tuition for instruction by an instructor under section 120A.22, subdivision 10, clause (1), (2), (3), (4), or (5), or a member of the Minnesota Music Teachers Association, and who is not a lineal ancestor or sibling of the dependent for instruction outside the regular school day or school year, including tutoring, driver's education offered as part of school curriculum, regardless of whether it is taken from a public or private entity or summer camps, in grade or age appropriate curricula that supplement curricula and instruction available during the regular school year, that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), and that do not include the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship;

(2) expenses for textbooks, including books and other instructional materials and equipment purchased or leased for use in elementary and secondary schools in teaching only those subjects legally and commonly taught in public elementary and secondary schools in this state. "Textbooks" does not include instructional books and materials used in the teaching of religious tenets, doctrines, or worship, the purpose of which is to instill such tenets, doctrines, or worship, nor does it include books or materials for extracurricular activities including sporting events, musical or dramatic events, speech activities, driver's education, or similar programs;

(3) a maximum expense of \$200 per family for personal computer hardware, excluding single purpose processors, and educational software that assists a dependent to improve knowledge of core curriculum areas or to expand knowledge and skills under the required academic standards under section 120B.021, subdivision 1, and the elective standard under section 120B.022, subdivision 1, clause (2), purchased for use in the taxpayer's home and not used in a trade or business regardless of whether the computer is required by the dependent's school; and

(4) the amount paid to others for transportation of a qualifying child attending an elementary or secondary school situated in Minnesota, North Dakota, South Dakota, Iowa, or Wisconsin, wherein a resident of this state may legally fulfill the state's compulsory attendance laws, which is not operated for profit, and which adheres to the provisions of the Civil Rights Act of 1964 and chapter 363A.

For purposes of this section, "qualifying child" has the meaning given in section 32(c)(3) of the Internal Revenue Code.

(b) The maximum credit for grades 1 through 12 allowed under this subdivision is \$1,000 multiplied by the number of qualifying children in grades 1 through 12 in the family. The maximum credit for families with one qualifying child in grade 1 through grade 12 is reduced by \$1 for each \$4 of household income over \$33,500, and the maximum credit for families with two or more qualifying children in grade 1 through grade 12 is reduced by \$2 for each \$4 of household income over \$33,500, but in no case is the credit less than zero.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007.

Sec. 5. Minnesota Statutes 2006, section 290.0674, is amended by adding a subdivision to read:

Subd. 1a. **Credit allowed; prekindergarten and kindergarten.** (a) An individual is allowed a credit against the tax imposed by this chapter in an amount equal to 75 percent of the amount paid for education-related expenses for a qualifying child who is younger than age seven and not yet enrolled in first grade at the start of the tax year. For purposes of this subdivision, "education-related expenses" means "education-related expenses" as defined in subdivision 1, and also:

(1) fees or tuition charged for enrollment in an all-day kindergarten;

(2) fees or tuition charged for enrollment in a qualified early childhood educational program. As used in this subdivision, "qualified early childhood educational program" has the meaning given in section 290.0678; and

(3) expenses for age-appropriate educational books, games, and computer software.

(b) The maximum credit allowed under this subdivision is \$5,000 multiplied by the number of qualifying children who are younger than age seven and not yet enrolled in first grade at the start of the tax year. The credit for qualifying children in prekindergarten and kindergarten under this subdivision is not subject to reduction.

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007.

Sec. 6. Minnesota Statutes 2006, section 290.0674, subdivision 2, is amended to read:

Subd. 2. **Limitations.** ~~(a) For claimants with income not greater than \$33,500, the maximum credit allowed for a family is \$1,000 multiplied by the number of qualifying children in kindergarten through grade 12 in the family. The maximum credit for families with one qualifying child in kindergarten through grade 12 is reduced by \$1 for each \$4 of household income over \$33,500, and the maximum credit for families with two or more qualifying children in kindergarten through grade 12 is reduced by \$2 for each \$4 of household income over \$33,500, but in no case is the credit less than zero.~~

~~(a) For purposes of this section "income" has the meaning given in section 290.067, subdivision 2a. In the case of a married claimant, a credit is not allowed unless a joint income tax return is filed.~~

~~(b) For a nonresident or part-year resident, the credit determined under subdivision 1 and the maximum credit amount in paragraph (a) must be allocated using the percentage calculated in section 290.06, subdivision 2c, paragraph (e).~~

**EFFECTIVE DATE.** This section is effective for taxable years beginning after December 31, 2007.

Sec. 7. **[290.0678] CREDIT FOR CONTRIBUTIONS FOR EARLY CHILDHOOD EDUCATION ACCESS GRANTS.**

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

(b) "Federal poverty guidelines" mean the poverty guidelines for the 48 contiguous states used by the United States Department of Health and Human Services as most recently published in the Federal Register.

(c) A "qualified student" must be:

(1) younger than age seven, not yet enrolled in kindergarten or first grade, and a Minnesota resident; and

(2) a member of a household with an income less than 200 percent of the federal poverty guideline for the household size.

(d) "Early childhood education access grant organization" means a charitable nonprofit organization that is exempt from federal taxation under section 501(c)(3) of the Internal Revenue Code, maintains funds separate from funding for other activities for the distinct purpose of providing early childhood education access grants to qualified students, and is certified by the commissioner of education as meeting the criteria of this section.

(e) A "qualified early childhood educational program" means a program included in guidelines prepared by the commissioner of education in consultation with the commissioner of human services and must accept access grants granted under this section in payment of tuition for a qualified student under paragraph (c) enrolled in the program.

Subd. 2. **Early childhood education access grant organizations.** Early childhood education access grant organizations must:

(1) accept contributions from corporations and others for use in providing early childhood education access grants and allocate at least 85 percent of annual contributions received for making early childhood education access grants to qualified students;

(2) develop a process for parents of qualified students to apply for and receive a \$5,000 early childhood education access grant, which the parents must use to enroll the student in the qualified early childhood educational program of their choice;

(3) not charge parents of qualified students a fee of any kind;

(4) not restrict the availability of access grants to students of any one qualified early childhood educational program;

(5) report annually to the commissioner of education on:

(i) the number of students awarded access grants from contributions under the tax credit program;

(ii) the total amount awarded in access grants from contributions under the tax credit program; and

(iii) the total number of early childhood educational programs attended by access grant recipients; and

(6) report annually no later than October 15 to the commissioner of education on the names of students receiving access grants for the current school year, so that the commissioner may reduce the amount of child care assistance under section 119B.03 provided to the students' families in the next calendar year as provided in section 119B.09, subdivision 1, paragraph (d).

Parents of more than one qualified student are eligible to apply for and receive an access grant for each qualified student.

Subd. 3. **Credit allowed.** A corporation is allowed a credit against the corporate franchise tax due under this chapter equal to 75 percent of the amount contributed to early childhood education access grant organizations for early childhood education access grants. The maximum credit allowed any corporation in a taxable year is \$2,500,000. The credit may not be claimed for contributions designated for the use of a specific student. The credit for the taxable year may not exceed the corporation's liability for tax. The commissioner of revenue shall prescribe the manner in which the credit may be claimed. This may include allowing the credit only as a separately processed claim for refund.

Subd. 4. **Commissioner of education.** (a) The commissioner of education must, on application, certify organizations that meet the criteria provided in this section for early childhood access grant organizations. The commissioner must maintain a list of certified early childhood access grant organizations, and make the list available on the Department of Education's Web site and by other means.

(b) The commissioner of education, in consultation with the commissioner of revenue, must report annually to the committees of the legislature with jurisdiction over early childhood education on:

(i) the total number of students awarded access grants from contributions under the tax credit program, and summary information on the geographic distribution throughout the state of access grant recipients;

(ii) the total amount awarded in access grants from contributions under the tax credit program; and

(iii) the total number of early childhood educational programs attended by access grant recipients.

Subd. 5. **Application for credit certificate.** A corporation shall apply to the commissioner of education for a tax credit certificate. Tax credit certificates under this section shall be made available by the commissioner of education on a first-come, first-served basis until the maximum statewide credit amount has been reached. The

statewide credit maximum amount is \$100,000,000 in fiscal year 2008 and following years. A contribution by a corporation to an early childhood access grant organization must be made no later than 60 days following written notification of the approval by the commissioner of education of the application. The commissioner of education shall issue the tax credit certificate in the amount of 75 percent of the amount contributed to an early childhood access grant organization after the corporation has made the contribution. The commissioner of education shall not issue a tax credit certificate for an amount greater than \$2,500,000.

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

Delete the title and insert:

"A bill for an act relating to taxation; individual income; allowing a credit for contributions for early childhood education access grants and a credit for early childhood educational expenses; requiring a report; amending Minnesota Statutes 2006, sections 119B.09, subdivision 1; 290.01, subdivisions 19b, 19c; 290.0674, subdivisions 1, 2, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290."

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

The report was adopted.

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

H. F. No. 1656, A bill for an act relating to commerce; regulating the manufacture and sale of jewelry products containing lead; proposing coding for new law in Minnesota Statutes, chapter 325E.

Reported the same back with the following amendments:

Page 3, line 21, delete "Sale" and insert "Manufacture"

Page 3, lines 21 and 24, delete ", offer for sale, sell,"

Page 4, line 3, delete ", offer for sale, sell,"

Page 4, delete subdivision 3

Page 4, line 13, delete "4" and insert "3"

Page 4, line 15, delete "subdivisions 5 and 6" and insert "subdivision 4"

Page 5, line 9, delete "5" and insert "4"

Page 5, line 10, delete "4" and insert "3"

Amend the title as follows:

Page 1, line 2, delete "and sale"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1675, A bill for an act relating to commerce; enacting a car buyers' bill of rights; requiring disclosures; capping dealer compensation for vehicle financing; regulating the sale of "certified" used motor vehicles; requiring a cancellation option on purchase of a used motor vehicle; amending Minnesota Statutes 2006, sections 53C.01, by adding subdivisions; 53C.08, subdivision 4, by adding a subdivision; 297B.01, subdivision 8; 325F.662, subdivision 10, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 53C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 6a. **Regulation Z.** "Regulation Z" means a rule, regulation, or interpretation promulgated by the Board of Governors of the Federal Reserve System under the federal Truth in Lending Act, as amended (United States Code, title 15, section 1601, et seq.), and an interpretation or approval issued by an official or employee of the Federal Reserve System duly authorized by the board under the Truth in Lending Act, as amended, to issue the interpretations or approvals.

Sec. 2. Minnesota Statutes 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 12a. **Service contract.** "Service contract" means a motor vehicle service contract as defined in section 65B.29.

Sec. 3. Minnesota Statutes 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 12b. **Surface protection product.** "Surface protection product" means the following products:

- (1) undercoating;
- (2) rustproofing;
- (3) chemical or film paint sealant or protectant; or
- (4) chemical sealant or stain inhibitor for carpet and fabric.

Sec. 4. Minnesota Statutes 2006, section 53C.01, is amended by adding a subdivision to read:

Subd. 12c. **Theft deterrent device.** "Theft deterrent device" means the following devices:

- (1) a vehicle alarm system;
- (2) a window etch product;
- (3) a body part marking product;
- (4) a steering lock;
- (5) a pedal or ignition lock; or
- (6) a fuel or ignition kill switch.

Sec. 5. Minnesota Statutes 2006, section 53C.08, is amended by adding a subdivision to read:

Subd. 1a. **Disclosures required.** Prior to the execution of a retail installment contract, the seller shall provide to a buyer, and obtain the buyer's signature on, a written disclosure that sets forth the following information:

(1) a description and the total price of all items sold in the following categories if the contract includes a charge for the item:

(i) a service contract;

(ii) an insurance product;

(iii) a debt cancellation agreement;

(iv) a theft deterrent device; or

(v) a surface protection product;

(2) the amount that would be calculated under the contract as the regular installment payment if charges for the items referenced under clause (1) are not included in the contract;

(3) the amount that would be calculated under the contract as the regular installment payment if charges for the items referenced under clause (1) are included in the contract; and

(4) the disclosures required under this subdivision must be in at least ten-point type and must be contained in a single document that is separate from the retail installment contract and any other vehicle purchase documents.

Sec. 6. **[53C.083] CONSUMER REPORT DISCLOSURE.**

(a) When a consumer report from a consumer reporting agency has been obtained for use in connection with an application for credit initiated by a buyer for the purchase or lease of a motor vehicle, the retail seller shall provide, prior to the sale or lease of the motor vehicle, the following notice in at least ten-point boldface type on a document separate from the sale or lease contract, which must include the name, address, and telephone number of each credit reporting agency providing a consumer report that was obtained and used by the retail seller:

"NOTICE TO MOTOR VEHICLE CREDIT APPLICANT

The dealer used a consumer report from a consumer reporting agency in connection with your application to finance the acquisition of a motor vehicle. Consumer reports include data about your credit history and payment patterns. Consumer reports are important because they are used in determining whether to extend credit and may be used to determine the annual percentage rate you may be offered.

If you have questions about your consumer report, please contact the consumer reporting agency at the address and telephone number provided. You are entitled under federal law to a free copy annually of your consumer report by calling 1-877-322-8228 or visiting [annualcreditreport.com](http://annualcreditreport.com)."

(b) This section does not require a dealer to provide more than one disclosure for each purchase or lease transaction. For purposes of this section, "consumer report" and "consumer reporting agency" have the meanings given in section 13C.001.

Sec. 7. Minnesota Statutes 2006, section 325F.662, is amended by adding a subdivision to read:

**Subd. 8a. Certified motor vehicle.** (a) It is unlawful for a dealer to advertise for sale or sell a used motor vehicle as "certified" or use any similar descriptive term in the advertisement or the sale of a used motor vehicle that implies the vehicle has been certified to meet the terms of a used motor vehicle certification program if any of the following apply:

(1) the dealer knows or should have known that the odometer on the vehicle does not indicate actual mileage, has been rolled back or otherwise altered to show fewer miles, or has been replaced with an odometer showing fewer miles than actually driven;

(2) the dealer knows or should have known that the vehicle was reacquired by the vehicle's manufacturer or a dealer pursuant to state or federal warranty laws;

(3) the dealer knows or should have known that the title to the vehicle has been inscribed with the notation "damaged," "flood," "junk," "lemon law buyback," "manufacturer repurchase," "nonrepairable," "rebuilt," "reconditioned," "salvage," or similar title designation required by this state or another state;

(4) the dealer knows or should have known that the vehicle has sustained damage in an impact, fire, or flood, that substantially impairs the use or safety of the vehicle;

(5) the dealer knows or should have known that the vehicle has sustained frame damage;

(6) prior to sale, the dealer fails to provide the buyer with a completed inspection report indicating all the components inspected;

(7) the dealer disclaims any warranties of merchantability on the vehicle; or

(8) the vehicle is sold "AS IS".

(b) This section does not abrogate or limit any disclosure obligation imposed by any other law.

Sec. 8. Minnesota Statutes 2006, section 325F.662, is amended by adding a subdivision to read:

**Subd. 8b. Contract cancellation option.** (a) A dealer shall not sell a used motor vehicle to a consumer without granting the consumer a contract cancellation option that allows the consumer to return the vehicle without cause and without cost, except for a restocking fee as permitted by this subdivision. This subdivision does not apply to a used motor vehicle having a purchase price of \$40,000 or more.

(b) The contract cancellation option must be contained in a document separate from the retail installment contract or other vehicle purchase agreement and must contain, at a minimum, the following:

(1) the name of the dealer and the consumer;

(2) a description and the vehicle identification number of the vehicle purchased;

(3) a statement specifying the time within which the consumer must exercise the right to cancel the purchase under the contract cancellation option and return the vehicle to the dealer. The dealer shall not specify a time that is earlier than the dealer's close of business on the second day following the day on which the vehicle was originally delivered to the consumer by the dealer;

(4) a statement that clearly and conspicuously specifies the dollar amount of any restocking fee the buyer must pay to the dealer to exercise the right to cancel the purchase under the contract cancellation option. The restocking fee must not exceed \$125 if the vehicle's cash price is \$10,000 or less, \$250 if the vehicle's cash price is less than \$15,000 but greater than \$10,000, \$375 if the vehicle's cash price is less than \$20,000 but greater than or equal to \$15,000, and \$500 if the vehicle's cash price is \$20,000 or greater;

(5) a statement specifying the maximum number of miles that the vehicle may be driven after its original delivery by the dealer to the consumer to remain eligible for cancellation under the contract cancellation option. A dealer shall not specify fewer than 250 miles in the contract cancellation option;

(6) a statement that the contract cancellation option gives the consumer the right to cancel the purchase and obtain a full refund; and that the right to cancel will apply only if, within the time specified in the contract cancellation option, the following are personally delivered to the dealer by the consumer:

(i) a written notice exercising the right to cancel the purchase signed by the consumer;

(ii) any restocking fee specified in the contract cancellation option;

(iii) the original contract cancellation option document and vehicle purchase contract and related documents, if the dealer gave those original documents to the consumer;

(iv) all original vehicle titling and registration documents, if the dealer gave those original documents to the consumer;

(v) an amount in certified funds to reimburse the dealer for its payments on the buyer's behalf to discharge a lien on a vehicle left by the buyer as a downpayment or trade-in. If the dealer has sold or otherwise transferred title to the motor vehicle that was left as a downpayment or trade-in, the reimbursement amount owed to the dealer is only the amount that the dealer's payment to the lienholder exceeds the value of the vehicle as indicated on the sales contract or purchase order; and

(vi) the vehicle, free of all liens and encumbrances other than any lien or encumbrance created by or incident to the sales contract, any loan arranged by the dealer or any purchase money loan obtained by the consumer from a third party, and in the same condition as when it was delivered by the dealer to the consumer, reasonable wear and tear and any defect or mechanical problem that manifests or becomes evident after delivery that was not caused by the buyer excepted, and which must not have been driven beyond the mileage limit specified in the contract cancellation option. The agreement may also provide that the consumer will execute documents reasonably necessary to effectuate the cancellation and refund and as reasonably required to comply with applicable law; and

(7) at the bottom of the contract cancellation option document, a statement that may be signed by the consumer to indicate the consumer's election to exercise the right to cancel the purchase under the terms of the contract cancellation option, and the last date and time by which the option to cancel may be exercised, followed by a line for the consumer's signature. A particular form of statement is not required, but the following statement is sufficient: "By signing below, I elect to exercise my right to cancel the purchase of the vehicle described in this agreement." The consumer's delivery of the contract cancellation option document to the dealer with the consumer's signature following this statement shall constitute sufficient written notice exercising the right to cancel the purchase. The dealer shall provide the consumer with the statement required by this paragraph in duplicate to enable the consumer to return the signed contract cancellation document and retain a copy of the contract cancellation document.

(c)(1) No later than the third day following the day on which the consumer exercises the right to cancel the purchase in compliance with the contract cancellation option, the dealer shall cancel the contract and provide the consumer with a full refund in person or by United States first class mail, postage prepaid; and

(2) the dealer shall return to the consumer, no later than three days after the consumer exercises the right to cancel the purchase, any motor vehicle the consumer left with the dealer as a downpayment or trade-in. If the dealer has sold or otherwise transferred title to the motor vehicle that was left as a downpayment or trade-in, the full refund described in clause (1) shall be the value of the motor vehicle left as a downpayment or trade-in, as stated in the sale contract or purchase order less any amount paid by the dealer to a lienholder on the buyer's behalf. The dealer shall provide the full refund in the form of cash, a negotiable instrument as defined in section 336.3-104, or draft conditioned on the verification of an instrument accepted by the dealer as part of the buyer's down payment.

(d) If the dealer received a portion of the purchase price by credit card, or other third-party payer on the consumer's account, the dealer must refund that portion of the purchase price to the credit card issuer or third-party payer for credit to the consumer's account.

(e) If the dealer received a portion of the purchase price by check or other negotiable instrument as defined in section 336.3-104, the dealer need not return the amount of the payment until after the check or negotiable instrument is finally paid as provided in section 336.4-213.

(f) A dealer whose cancellation offer exceeds the requirements contained in subdivision 8b, and whose cancellation offer in the contract of sale provides a purchase cancellation agreement disclosing the terms of that cancellation offer shall be deemed to have complied with this section.

(g) Notwithstanding paragraph (a), a dealer is not required to grant a contract cancellation option to an individual who exercised the individual's right to cancel the purchase of a vehicle from the dealer pursuant to a contract cancellation option during the immediately preceding 30 days or to an individual that has exercised a purchase option on a vehicle the individual has previously leased. A dealer is not required to give notice to a subsequent consumer of the return of a vehicle under this section. This subdivision does not abrogate or limit any disclosure obligation imposed by any other law.

(h) This subdivision does not affect or alter the legal rights, duties, obligations, or liabilities of the consumer, the dealer, or the dealer's agents or assigns, that would exist in the absence of a contract cancellation option. Notwithstanding the existence of a contract cancellation option and the fact that the dealer may retain title to the vehicle, the consumer is deemed the owner of the vehicle for purposes of sections 65B.41 to 65B.71, and 169.09, subdivision 5a, when the consumer takes delivery until the vehicle is returned pursuant to a contract cancellation option.

Sec. 9. Minnesota Statutes 2006, section 325F.662, subdivision 10, is amended to read:

Subd. 10. **Limitation on actions.** A private civil action brought by a consumer under this section with respect to a warranty claim must be commenced within one year of the expiration of the express warranty.

Sec. 10. **EFFECTIVE DATE.**

This act is effective January 1, 2008."

Delete the title and insert:

"A bill for an act relating to commerce; enacting a car buyer's bill of rights; requiring disclosures; regulating the sale of "certified" used motor vehicles; requiring a cancellation option on purchase of a used motor vehicle; amending Minnesota Statutes 2006, sections 53C.01, by adding subdivisions; 53C.08, by adding a subdivision; 325F.662, subdivision 10, by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 53C."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1855, A bill for an act relating to health; requiring nonprofit hospitals and outpatient surgical centers to report on community benefits in a standard way; establishing a work group; amending Minnesota Statutes 2006, section 144.698, subdivision 1.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 2006, section 62J.17, subdivision 2, is amended to read:

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

~~(a) "Access" means the financial, temporal, and geographic availability of health care to individuals who need it.~~

~~(b)~~ (a) "Capital expenditure" means an expenditure which, under generally accepted accounting principles, is not properly chargeable as an expense of operation and maintenance.

~~(c) "Cost" means the amount paid by consumers or third party payers for health care services or products.~~

~~(d) "Date of the major spending commitment" means the date the provider formally obligated itself to the major spending commitment. The obligation may be incurred by entering into a contract, making a down payment, issuing bonds or entering a loan agreement to provide financing for the major spending commitment, or taking some other formal, tangible action evidencing the provider's intention to make the major spending commitment.~~

~~(e)~~ (b) "Health care service" means:

(1) a service or item that would be covered by the medical assistance program under chapter 256B if provided in accordance with medical assistance requirements to an eligible medical assistance recipient; and

(2) a service or item that would be covered by medical assistance except that it is characterized as experimental, cosmetic, or voluntary.

"Health care service" does not include retail, over-the-counter sales of nonprescription drugs and other retail sales of health-related products that are not generally paid for by medical assistance and other third-party coverage.

~~(f)~~ (c) "Major spending commitment" means an expenditure in excess of \$1,000,000 for:

(1) acquisition of a unit of medical equipment;

(2) a capital expenditure for a single project for the purposes of providing health care services, other than for the acquisition of medical equipment;

(3) offering a new specialized service not offered before;

(4) planning for an activity that would qualify as a major spending commitment under this paragraph; or

(5) a project involving a combination of two or more of the activities in clauses (1) to (4).

The cost of acquisition of medical equipment, and the amount of a capital expenditure, is the total cost to the provider regardless of whether the cost is distributed over time through a lease arrangement or other financing or payment mechanism.

~~(g)~~ (d) "Medical equipment" means fixed and movable equipment that is used by a provider in the provision of a health care service. "Medical equipment" includes, but is not limited to, the following:

- (1) an extracorporeal shock wave lithotripter;
- (2) a computerized axial tomography (CAT) scanner;
- (3) a magnetic resonance imaging (MRI) unit;
- (4) a positron emission tomography (PET) scanner; and
- (5) emergency and nonemergency medical transportation equipment and vehicles.

~~(h)~~ (e) "New specialized service" means a specialized health care procedure or treatment regimen offered by a provider that was not previously offered by the provider, including, but not limited to:

- (1) cardiac catheterization services involving high-risk patients as defined in the Guidelines for Coronary Angiography established by the American Heart Association and the American College of Cardiology;
- (2) heart, heart-lung, liver, kidney, bowel, or pancreas transplantation service, or any other service for transplantation of any other organ;
- (3) megavoltage radiation therapy;
- (4) open heart surgery;
- (5) neonatal intensive care services; and
- (6) any new medical technology for which premarket approval has been granted by the United States Food and Drug Administration, excluding implantable and wearable devices.

(f) "Specialty care" includes but is not limited to cardiac, neurology, orthopedic, obstetrics, mental health, chemical dependency, and emergency services.

Sec. 2. Minnesota Statutes 2006, section 62J.17, subdivision 4a, is amended to read:

Subd. 4a. **Expenditure reporting.** ~~(a) A provider making a major spending commitment after April 1, 1992, shall submit notification of the expenditure to the commissioner and provide the commissioner with any relevant background information.~~

~~(b) Notification must include a report, submitted within 60 days after the date of the major spending commitment, using terms conforming to the definitions in section 62J.03 and this section. Each report is subject to retrospective review and must contain:~~

~~(1) a detailed description of the major spending commitment, including the specific dollar amount of each expenditure, and its purpose;~~

- ~~(2) the date of the major spending commitment;~~
- ~~(3) a statement of the expected impact that the major spending commitment will have on charges by the provider to patients and third party payers;~~
- ~~(4) a statement of the expected impact on the clinical effectiveness or quality of care received by the patients that the provider expects to serve;~~
- ~~(5) a statement of the extent to which equivalent services or technology are already available to the provider's actual and potential patient population;~~
- ~~(6) a statement of the distance from which the nearest equivalent services or technology are already available to the provider's actual and potential population;~~
- ~~(7) a statement describing the pursuit of any lawful collaborative arrangements; and~~
- ~~(8) a statement of assurance that the provider will not use, purchase, or perform health care technologies and procedures that are not clinically effective and cost effective, unless the technology is used for experimental or research purposes to determine whether a technology or procedure is clinically effective and cost effective.~~

~~The provider may submit any additional information that it deems relevant.~~

~~(c) The commissioner may request additional information from a provider for the purpose of review of a report submitted by that provider, and may consider relevant information from other sources. A provider shall provide any information requested by the commissioner within the time period stated in the request, or within 30 days after the date of the request if the request does not state a time.~~

~~(d) If the provider fails to submit a complete and timely expenditure report, including any additional information requested by the commissioner, the commissioner may make the provider's subsequent major spending commitments subject to the procedures of prospective review and approval under subdivision 6a.~~

Each hospital, outpatient surgical center, diagnostic imaging center, and physician clinic shall report annually to the commissioner on all major spending commitments, in the form and manner specified by the commissioner. The report shall include the following information:

- (a) a description of major spending commitments made during the previous year, including the total dollar amount of major spending commitments and purpose of the expenditures;
- (b) the cost of land acquisition, construction of new facilities, and renovation of existing facilities;
- (c) the cost of purchased or leased medical equipment, by type of equipment;
- (d) expenditures by type for specialty care and new specialized services;
- (e) information on the amount and types of added capacity for diagnostic imaging services, outpatient surgical services, and new specialized services; and
- (f) information on investments in electronic medical records systems.

For hospitals and outpatient surgical centers, this information shall be included in reports to the commissioner that are required under section 144.698. For diagnostic imaging centers, this information shall be included in reports to the commissioner that are required under section 144.565. For physician clinics, this information shall be included in reports to the commissioner that are required under section 62J.41. For all other health care providers that are subject to this reporting requirement, reports must be submitted to the commissioner by March 1 each year for the preceding calendar year.

Sec. 3. Minnesota Statutes 2006, section 62J.17, subdivision 7, is amended to read:

Subd. 7. **Exceptions.** (a) ~~The retrospective review process as described in subdivision 5a and the prospective review and approval process as described in subdivision 6a~~ reporting requirement in subdivision 4a ~~do~~ does not apply to:

~~(1) a major spending commitment to replace existing equipment with comparable equipment used for direct patient care, upgrades of equipment beyond the current model, or comparable model must be reported;~~

~~(2)~~ (1) a major spending commitment made by a research and teaching institution for purposes of conducting medical education, medical research supported or sponsored by a medical school, or by a federal or foundation grant or clinical trials;

~~(3) a major spending commitment to repair, remodel, or replace existing buildings or fixtures if, in the judgment of the commissioner, the project does not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided;~~

~~(4)~~ (2) a major spending commitment for building maintenance including heating, water, electricity, and other maintenance-related expenditures; and

~~(5)~~ (3) a major spending commitment for activities, not directly related to the delivery of patient care services, including food service, laundry, housekeeping, and other service-related activities; and

~~(6) a major spending commitment for computer equipment or data systems not directly related to the delivery of patient care services, including computer equipment or data systems related to medical record automation.~~

(b) In addition to the exceptions listed in paragraph (a), the ~~prospective review and approval process described in subdivision 6a~~ reporting requirement in subdivision 4a does not apply to mergers, acquisitions, and other changes in ownership or control that, in the judgment of the commissioner, do not involve a substantial expansion of service capacity or a substantial change in the nature of health care services provided.

Sec. 4. Minnesota Statutes 2006, section 62J.41, subdivision 1, is amended to read:

Subdivision 1. **Cost containment data to be collected from providers.** The commissioner shall require health care providers to collect and provide both patient specific information and descriptive and financial aggregate data on:

(1) the total number of patients served;

(2) the total number of patients served by state of residence and Minnesota county;

(3) the site or sites where the health care provider provides services;

(4) the number of individuals employed, by type of employee, by the health care provider;

(5) the services and their costs for which no payment was received;

(6) total revenue by type of payer or by groups of payers, including but not limited to, revenue from Medicare, medical assistance, MinnesotaCare, nonprofit health service plan corporations, commercial insurers, health maintenance organizations, and individual patients;

(7) revenue from research activities;

(8) revenue from educational activities;

(9) revenue from out-of-pocket payments by patients;

(10) revenue from donations; ~~and~~

(11) a report on health care capital expenditures during the previous year, as required by section 62J.17; and

~~(11)~~ (12) any other data required by the commissioner, including data in unaggregated form, for the purposes of developing spending estimates, setting spending limits, monitoring actual spending, and monitoring costs.

The commissioner may, by rule, modify the data submission categories listed above if the commissioner determines that this will reduce the reporting burden on providers without having a significant negative effect on necessary data collection efforts.

Sec. 5. Minnesota Statutes 2006, section 62J.52, subdivision 1, is amended to read:

Subdivision 1. **Uniform billing form CMS 1450.** (a) On and after January 1, 1996, all institutional inpatient hospital services, ancillary services, institutionally owned or operated outpatient services rendered by providers in Minnesota, and institutional or noninstitutional home health services that are not being billed using an equivalent electronic billing format, must be billed using the uniform billing form CMS 1450, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form CMS 1450 shall be in accordance with the uniform billing form manual specified by the commissioner. In promulgating these instructions, the commissioner may utilize the manual developed by the National Uniform Billing Committee, as adopted and finalized by the Minnesota Uniform Billing Committee.

(c) Services to be billed using the uniform billing form CMS 1450 include: institutional inpatient hospital services and distinct units in the hospital such as psychiatric unit services, physical therapy unit services, swing bed (SNF) services, inpatient state psychiatric hospital services, inpatient skilled nursing facility services, home health services (Medicare part A), and hospice services; ancillary services, where benefits are exhausted or patient has no Medicare part A, from hospitals, state psychiatric hospitals, skilled nursing facilities, and home health (Medicare part B); institutional owned or operated outpatient services such as waived services, hospital outpatient services, including ambulatory surgical center services, hospital referred laboratory services, hospital-based ambulance services, and other hospital outpatient services, skilled nursing facilities, home health, freestanding renal dialysis centers, comprehensive outpatient rehabilitation facilities (CORF), outpatient rehabilitation facilities (ORF), rural health clinics, and community mental health centers; home health services such as home health intravenous therapy providers, waived services, personal care attendants, and hospice; and any other health care provider certified by the Medicare program to use this form.

(d) On and after January 1, 1996, a mother and newborn child must be billed separately, and must not be combined on one claim form.

(e) Services provided by Medicare Critical Access Hospitals electing Method II billing will be allowed an exception to this provision to allow the inclusion of the professional fees on the CMS 1450.

Sec. 6. Minnesota Statutes 2006, section 62J.52, subdivision 2, is amended to read:

Subd. 2. **Uniform billing form CMS 1500.** (a) On and after January 1, 1996, all noninstitutional health care services rendered by providers in Minnesota except dental or pharmacy providers, that are not currently being billed using an equivalent electronic billing format, must be billed using the health insurance claim form CMS 1500, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form CMS 1500 shall be in accordance with the manual developed by the Administrative Uniformity Committee entitled standards for the use of the CMS 1500 form, dated February 1994, as further defined by the commissioner.

(c) Services to be billed using the uniform billing form CMS 1500 include physician services and supplies, durable medical equipment, noninstitutional ambulance services, independent ancillary services including occupational therapy, physical therapy, speech therapy and audiology, home infusion therapy, podiatry services, optometry services, mental health licensed professional services, substance abuse licensed professional services, nursing practitioner professional services, certified registered nurse anesthetists, chiropractors, physician assistants, laboratories, medical suppliers, and other health care providers such as day activity centers and freestanding ambulatory surgical centers.

(d) Services provided by Medicare Critical Access Hospitals electing Method II billing will be allowed an exception to this provision to allow the inclusion of the professional fees on the CMS 1450.

Sec. 7. Minnesota Statutes 2006, section 62J.60, subdivision 2, is amended to read:

Subd. 2. **General characteristics.** (a) The Minnesota uniform health care identification card must be a preprinted card constructed of plastic, paper, or any other medium that conforms with ANSI and ISO 7810 physical characteristics standards. The card dimensions must also conform to ANSI and ISO 7810 physical characteristics standard. The use of a signature panel is optional. The uniform prescription drug information contained on the card must conform with the format adopted by the NCPDP and, except as provided in subdivision 3, paragraph (a), clause (2), must include all of the fields required to submit a claim in conformance with the most recent pharmacy identification card implementation guide produced by the NCPDP. All information required to submit a prescription drug claim, exclusive of information provided on a prescription that is required by law, must be included on the card in a clear, readable, and understandable manner. If a health benefit plan requires a conditional or situational field, as defined by the NCPDP, the conditional or situational field must conform to the most recent pharmacy information card implementation guide produced by the NCPDP.

(b) The Minnesota uniform health care identification card must have an essential information window on the front side with the following data elements: card issuer name, electronic transaction routing information, card issuer identification number, cardholder (insured) identification number, and cardholder (insured) identification name. No optional data may be interspersed between these data elements.

(c) Standardized labels are required next to human readable data elements and must come before the human data elements.

Sec. 8. Minnesota Statutes 2006, section 62J.60, subdivision 3, is amended to read:

Subd. 3. **Human readable data elements.** (a) The following are the minimum human readable data elements that must be present on the front side of the Minnesota uniform health care identification card:

(1) card issuer name or logo, which is the name or logo that identifies the card issuer. The card issuer name or logo may be located at the top of the card. No standard label is required for this data element;

(2) complete electronic transaction routing information including, at a minimum, the international identification number. The standardized label of this data element is "RxBIN." Processor control numbers and group numbers are required if needed to electronically process a prescription drug claim. The standardized label for the process control numbers data element is "RxPCN" and the standardized label for the group numbers data element is "RxGrp," except that if the group number data element is a universal element to be used by all health care providers, the standardized label may be "Grp." To conserve vertical space on the card, the international identification number and the processor control number may be printed on the same line;

(3) cardholder (insured) identification number, which is the unique identification number of the individual card holder established and defined under this section. The standardized label for the data element is "ID";

(4) cardholder (insured) identification name, which is the name of the individual card holder. The identification name must be formatted as follows: first name, space, optional middle initial, space, last name, optional space and name suffix. The standardized label for this data element is "Name";

(5) care type, which is the description of the group purchaser's plan product under which the beneficiary is covered. The description shall include the health plan company name and the plan or product name. The standardized label for this data element is "Care Type";

(6) service type, which is the description of coverage provided such as hospital, dental, vision, prescription, or mental health. The standard label for this data element is "Svc Type"; and

(7) provider/clinic name, which is the name of the primary care clinic the card holder is assigned to by the health plan company. The standard label for this field is "PCP." This information is mandatory only if the health plan company assigns a specific primary care provider to the card holder.

(b) The following human readable data elements shall be present on the back side of the Minnesota uniform health care identification card. These elements must be left justified, and no optional data elements may be interspersed between them:

(1) claims submission names and addresses, which are the names and addresses of the entity or entities to which claims should be submitted. If different destinations are required for different types of claims, this must be labeled;

(2) telephone numbers and names that pharmacies and other health care providers may call for assistance. These telephone numbers and names are required on the back side of the card only if one of the contacts listed in clause (3) cannot provide pharmacies or other providers with assistance or with the telephone numbers and names of contacts for assistance; and

(3) telephone numbers and names; which are the telephone numbers and names of the following contacts with a standardized label describing the service function as applicable:

(i) eligibility and benefit information;

(ii) utilization review;

(iii) precertification; or

(iv) customer services.

(c) The following human readable data elements are mandatory on the back side of the Minnesota uniform health care identification card for health maintenance organizations:

(1) emergency care authorization telephone number or instruction on how to receive authorization for emergency care. There is no standard label required for this information; and

(2) one of the following:

(i) telephone number to call to appeal to or file a complaint with the commissioner of health; or

(ii) for persons enrolled under section 256B.69, 256D.03, or 256L.12, the telephone number to call to file a complaint with the ombudsperson designated by the commissioner of human services under section 256B.69 and the address to appeal to the commissioner of human services. There is no standard label required for this information.

(d) All human readable data elements not required under paragraphs (a) to (c) are optional and may be used at the issuer's discretion.

Sec. 9. Minnesota Statutes 2006, section 144.565, is amended to read:

**144.565 DIAGNOSTIC IMAGING FACILITIES.**

Subdivision 1. **Utilization and services data; economic and financial interests.** The commissioner shall require diagnostic imaging facilities and providers of diagnostic imaging services in Minnesota to annually report by March 1 each year for the preceding fiscal year to the commissioner, in the form and manner specified by the commissioner:

(1) ~~utilization data for each health plan company and each public program, including workers' compensation, as follows:~~ of diagnostic imaging services as defined in subdivision 4, paragraph (b);

~~(i) the number of computerized tomography (CT) procedures performed;~~

~~(ii) the number of magnetic resonance imaging (MRI) procedures performed; and~~

~~(iii) the number of positron emission tomography (PET) procedures performed; and~~

(2) the names of all physicians with any financial or economic interest and all other individuals with a ten percent or greater financial or economic interest in the facility;

(3) the location where procedures were performed;

(4) the number of units of each type of fixed, portable, and mobile scanner used at each location;

(5) the average number of hours per month each mobile scanner was operated at each location;

(6) the number of hours per month each scanner was leased, if applicable;

(7) the total number of diagnostic imaging procedures billed for by the provider at each location, by type of diagnostic imaging service as defined in subdivision 4, paragraph (b); and

(8) a report on major health care capital expenditures during the previous year, as required by section 62J.17.

Subd. 2. **Commissioner's right to inspect records.** If the report is not filed or the commissioner of health has reason to believe the report is incomplete or false, the commissioner shall have the right to inspect diagnostic imaging facility books, audits, and records.

Subd. 3. **Separate reports.** ~~For a diagnostic imaging facility that is not attached or not contiguous to a hospital or a hospital affiliate, the commissioner shall require the information in subdivision 1 be reported separately for each detached diagnostic imaging facility as part of the report required under section 144.702.~~ If any entity owns more than one diagnostic imaging facility, that entity must report by individual facility. Reports must include only services that were billed by the provider of diagnostic imaging services submitting the report. If a diagnostic imaging facility leases capacity, technical services, or professional services to one or more other providers of diagnostic imaging services, each provider must submit a separate annual report to the commissioner for all diagnostic imaging services that it provided and billed. The owner of the leased capacity must provide a report listing the names and addresses of providers to whom the diagnostic imaging services and equipment were leased.

Subd. 4. **Definitions.** For purposes of this section, the following terms have the meanings given:

(a) "Diagnostic imaging facility" means a health care facility that ~~provides is not a hospital or location licensed as a hospital which offers diagnostic imaging services through the use of ionizing radiation or other imaging technique including, but not limited to magnetic resonance imaging (MRI) or computerized tomography (CT) scan on a freestanding or mobile basis in Minnesota, regardless of whether the equipment used to provide the service is owned or leased. For the purposes of this section, diagnostic imaging facility includes, but is not limited to, facilities such as a physician's office, clinic, mobile transport vehicle, outpatient imaging center, or surgical center.~~

(b) "Diagnostic imaging service" means the use of ionizing radiation or other imaging technique on a human patient including, but not limited to, magnetic resonance imaging (MRI) or computerized tomography (CT), positron emission tomography (PET), or single photon emission computerized tomography (SPECT) scans using fixed, portable, or mobile equipment.

~~(b)~~ (c) "Financial or economic interest" means a direct or indirect:

(1) equity or debt security issued by an entity, including, but not limited to, shares of stock in a corporation, membership in a limited liability company, beneficial interest in a trust, units or other interests in a partnership, bonds, debentures, notes or other equity interests or debt instruments, or any contractual arrangements;

(2) membership, proprietary interest, or co-ownership with an individual, group, or organization to which patients, clients, or customers are referred to; or

(3) employer-employee or independent contractor relationship, including, but not limited to, those that may occur in a limited partnership, profit-sharing arrangement, or other similar arrangement with any facility to which patients are referred, including any compensation between a facility and a health care provider, the group practice of which the provider is a member or employee or a related party with respect to any of them.

~~(e)~~ (d) "Freestanding Fixed equipment" means a stationary diagnostic imaging facility that is not located within ~~a~~ machine installed in a permanent location.

~~(1) hospital;~~

~~(2) location licensed as a hospital; or~~

~~(3) physician's office or clinic where the professional practice of medicine by licensed physicians is the primary purpose and not the provision of ancillary services such as diagnostic imaging.~~

~~(d)~~ (e) "Mobile equipment" means a diagnostic imaging facility that is transported to various sites not including movement within a hospital or a physician's office or clinic machine in a self-contained transport vehicle designed to be brought to a temporary offsite location to perform diagnostic imaging services.

(f) "Portable equipment" means a diagnostic imaging machine designed to be temporarily transported within a permanent location to perform diagnostic imaging services.

(g) "Provider of diagnostic imaging services" means a diagnostic imaging facility or an entity that offers and bills for diagnostic imaging services at a facility owned or leased by the entity.

Subd. 5. **Reports open to public inspection.** All reports filed pursuant to this section shall be open to public inspection."

Page 1, after line 21, insert:

"(7) information on the number of available hospital beds that are dedicated to certain specialized services, as designated by the commissioner, and annual occupancy rates for those beds, separately for adult and pediatric care;

(8) from outpatient surgical centers, the total number of surgeries performed;

(9) a report on health care capital expenditures during the previous year, as required by section 62J.17;"

Page 1, line 22, strike "(7)" and insert "(10)"

Page 1, line 23, strike "(8)" and insert "(11)"

Page 2, after line 7, insert:

"Sec. 11. **REPEALER.**

Minnesota Statutes 2006, section 62J.17, subdivisions 1, 5a, 6a, and 8, are repealed, effective the day following final enactment."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "requiring certain health care facilities to report on major spending commitments;"

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.

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

H. F. No. 1991, A bill for an act relating to human services; making technical changes; amending child care; chemical and mental health; child welfare and public assistance; continuing care; health care; amending Minnesota Statutes 2006, sections 119B.011, subdivision 17; 119B.09, subdivision 1; 119B.125, subdivision 2, by adding a subdivision; 119B.13, subdivisions 3a, 7; 144.225, subdivision 2b; 245.4874; 252.32, subdivision 3; 253B.185, subdivision 2; 254A.03, subdivision 3; 254A.16, subdivision 2; 254B.02, subdivisions 1, 5; 254B.03, subdivisions 1, 3; 254B.06, subdivision 3; 256.01, subdivision 2; 256.045, subdivision 3b; 256.0451, subdivisions 1, 3, 11, 19; 256.046, subdivision 1; 256.476, subdivisions 1, 2, 3, 4, 5, 10; 256.974; 256.9744, subdivision 1; 256B.0625, subdivisions 1a, 13c, 23; 256B.0911, subdivision 4c; 256B.0913, subdivisions 4, 5, 5a, 8, 9, 10, 11, 12, 13, 14; 256B.0919, subdivision 3; 256B.0943, subdivisions 6, 9, 11, 12; 256B.431, subdivisions 1, 3f, 17e; 256D.03, subdivision 4; 256E.35, subdivisions 2, 7; 256J.21, subdivision 3; 256J.30, subdivision 9; 256J.32, subdivision 4; 256J.42, subdivisions 5, 6; 256J.425, subdivision 6; 256J.45, subdivision 2; 256J.46, subdivision 1; 256J.49, subdivision 13; 256J.50, subdivisions 1, 11; 256J.54, subdivisions 2, 5; 256J.55, subdivision 1; 256J.561, subdivision 2; 256J.645; 256J.66, subdivision 1; 256J.67, subdivision 3; 256J.95, subdivision 11; 256L.03, subdivision 5; 256L.04, subdivisions 1, 12; 259.67, subdivision 4; 260.012; 260B.157, subdivision 1; 626.556, subdivisions 2, 3, 10, 10c; Laws 2005, chapter 98, article 3, section 25; repealing Minnesota Statutes 2006, sections 252.21; 252.22; 252.23; 252.24; 252.25; 252.261; 252.275, subdivision 5; 254A.02, subdivisions 7, 9, 12, 14, 15, 16; 254A.085; 254A.086; 254A.12; 254A.14; 254A.15; 254A.16, subdivision 5; 254A.175; 254A.18; 256B.0913, subdivisions 5b, 5c, 5d, 5e, 5f, 5g, 5h; 256J.561, subdivision 1; 256J.62, subdivision 9; 256J.65; Minnesota Rules, part 9503.0035, subpart 2.

Reported the same back with the following amendments:

Pages 1 to 8, delete article 1

Pages 22 to 57, delete article 3

Page 77, after line 27, insert:

"Sec. 25. Laws 2000, chapter 340, section 19, is amended to read:

**Sec. 19. ALTERNATIVE CARE PILOT PROJECTS.**

(a) Expenditures for housing with services and adult foster care shall be excluded when determining average monthly expenditures per client for alternative care pilot projects authorized in Laws 1993, First Special Session chapter 1, article 5, section 133.

(b) Alternative care pilot projects shall not expire on June 30, 2001, but shall continue until June 30, ~~2005~~ 2007.

**EFFECTIVE DATE.** This section is effective retroactively from June 29, 2005, for activities related to discontinuing pilot projects under this section."

Page 77, delete section 1

Pages 84 to 94, delete sections 1 to 12

Page 96, line 2, delete "14" and insert "2"

Renumber the sections and articles in sequence

Amend the title as follows:

Page 1, line 2, delete "amending child care;"

Page 1, line 3, delete "child welfare and public assistance;"

Page 1, line 4, after the semicolon, insert "extending certain alternative care pilot projects;"

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.

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

H. F. No. 1998, A bill for an act relating to human services; making changes to continuing care provisions; amending data practices; changing long-term care provisions; allowing electronic meetings; altering service standards; amending Medicaid waivers for elderly services; modifying personal care assistant services; providing penalties; amending Minnesota Statutes 2006, sections 13.46, subdivision 2; 144A.071, subdivision 3; 144A.351; 256.9741, subdivisions 1, 3; 256.9742, subdivisions 3, 4, 6; 256.975, by adding a subdivision; 256B.0655, subdivisions 1, 1c, 1f, 1g, 2, by adding subdivisions; 256B.0911, subdivisions 3a, 4b, 6, 7, by adding a subdivision; 256B.0913, subdivisions 4, 5a; 256B.0915; 256B.27, subdivision 2a; 256B.49, subdivisions 13, 14; repealing Minnesota Statutes 2006, section 256.9743; Minnesota Rules, part 9505.0335.

Reported the same back with the following amendments:

Pages 1 to 7, delete sections 1 to 3

Pages 9 to 22, delete sections 9 to 23

Pages 35 to 36, delete sections 31 to 33

Page 37, before line 1, insert:

"Sec. 13. **REPORT; CATASTROPHIC LOSS COVERAGE.**

The commissioner shall present to the legislature on January 15, 2008, a plan for providing catastrophic loss coverage to businesses with fewer than 25 employees."

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 2 to 5 and insert "relating to human services; making changes to continuing care provisions; modifying long-term care facilities; modifying medical assistance federal screening requirements; allowing the commissioner to withhold certain payments, penalties, and interest for delinquent payments; changing medical assistance eligibility requirements; changing medical assistance coverage for alternative care; providing case management services; amending the Medicaid waiver for elderly services; requiring reports; providing penalties;"

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.

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

H. F. No. 2045, A bill for an act relating to motor fuels; updating specifications for petroleum products; modifying definitions of certain petroleum terms; amending Minnesota Statutes 2006, sections 239.761; 239.77, subdivisions 1, 2; 296A.01, subdivisions 14, 25, 42, by adding a subdivision; repealing Minnesota Statutes 2006, section 239.101, subdivision 7.

Reported the same back with the following amendments:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 2006, section 239.751, is amended by adding a subdivision to read:

Subd. 6a. **Person must be present when fueling; sign, penalty.** (a) A person must be in close attendance to the dispenser nozzle while fuel is being dispensed into a motor vehicle. No civil or criminal penalties apply to violations of this subdivision.

(b) A person who sells petroleum product at retail to the public for use in motor vehicles as defined in section 296A.01, subdivision 21:

(1) shall post signs in the locations described in subdivision 5 that state: "A person fueling a motor vehicle must be in close attendance to the dispenser nozzle during the fueling process."; and

(2) may discontinue fuel services to a person who violates paragraph (a)."

Amend the title as follows:

Page 1, line 2, after "fuels;" insert "requiring person fueling a motor vehicle remain close to dispenser nozzle;"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2090, A bill for an act relating to health; limiting requirements related to backflow prevention in recreational camping areas; proposing coding for new law in Minnesota Statutes, chapter 144.

Reported the same back with the following amendments:

Page 1, delete lines 7 to 9 and insert:

"To meet cross-connection control requirements, as defined in Minnesota Rules, parts 4715.1920 and 4720.0025, the use of a hose connection backflow preventer and a hose connection vacuum breaker, not rated for continuous use, are permitted at individual water supply connections in recreational camping areas as defined in section 327.14, subdivision 8."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2159, A bill for an act relating to human services; requiring certain medical assistance enrollees who are children with high-cost medical conditions to receive integrated health care coordination and social support services through the U special kids program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 256B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. **[256B.0751] CARE COORDINATION FOR CHILDREN WITH HIGH-COST MEDICAL CONDITIONS.**

Subdivision 1. **Care coordination required.** (a) The commissioner of human services shall contract with the U special kids program to provide care coordination, beginning October 1, 2007, for medical assistance enrollees who are children with high-cost medical conditions, and to perform the other duties specified in this section.

(b) For purposes of this section, "care coordination" means collaboration with primary care physicians and specialists to manage care, development of medical management plans for recurrent acute illnesses, oversight and coordination of all aspects of care in partnership with families, organization of medical information into a summary of critical information, coordination and appropriate sequencing of tests and multiple appointments, information and assistance with accessing resources, and telephone triage for acute illnesses or problems.

Subd. 2. **Referrals.** The commissioner shall develop a mechanism to refer children to the U special kids program for care coordination. Beginning October 1, 2007, and subject to the limits on total program enrollment specified in subdivision 3, the commissioner shall refer to the U special kids program children who:

(1) incur medical expenses that exceed the qualifying level specified in subdivision 3;

(2) have medical conditions that involve four or more major systems; require multiple specialists; require use of technology such as G-tube, tracheotomy, central line, or oxygen; and require multiple medications; and

(3) do not have a medical case manager for cancer, organ transplantation, epilepsy, or bone marrow replacement.

Subd. 3. **Qualifying level of medical expenses.** (a) For the period October 1, 2007, through September 30, 2008, the commissioner shall refer children for care coordination under this section if they incurred medical expenses of \$500,000 or more during the fiscal year ending June 30, 2007.

(b) For the period October 1, 2008, through September 30, 2009, the commissioner shall refer children for care coordination under this section if they incurred medical expenses of \$400,000 or more during the fiscal year ending June 30, 2008.

(c) For the period October 1, 2009, through September 30, 2010, the commissioner shall refer children for care coordination under this section if they incurred medical expenses of \$300,000 or more during the fiscal year ending June 30, 2009.

(d) Beginning October 1, 2010, the commissioner shall refer children for care coordination under this section if they incurred medical expenses of \$250,000 or more during the previous fiscal year.

(e) The commissioner shall limit referrals to the extent necessary to ensure that total enrollment in the U special kids program does not exceed 100 children for the period October 1, 2007, through September 30, 2008, and does not exceed 150 children beginning October 1, 2008.

Subd. 4. **Case management.** Beginning October 1, 2007, the U special kids program shall coordinate all nonmedical case management services provided to children who are required to receive care coordination under this section. The program may require all nonmedical case managers, including, but not limited to, county case managers and case managers for children served under a home and community-based waiver, to submit care plans for approval, and to document client compliance with the care plans. The U special kids program, beginning October 1, 2008, may employ or contract with nonmedical case managers to provide all nonmedical case management services to children required to receive care coordination under this section. The commissioner shall reimburse the U special kids program for case management services through the medical assistance program.

Subd. 5. **Statewide availability of care coordination.** The U special kids program may contract with other entities to provide care coordination services as defined in subdivision 1, in order to ensure the availability of these services in all regions of the state.

Subd. 6. **Advance practice nurse telephone triage system.** The U special kids program shall establish and operate an advance practice nurse telephone triage system that is available statewide, 24 hours a day, seven days per week. The system must provide advance practice nurses with access to a Web-based information system to appropriately triage medical problems, manage care, and reduce unnecessary hospitalizations.

Subd. 7. **Monitoring and evaluation.** The commissioner shall monitor program outcomes and evaluate the extent to which referrals to the U special kids program have improved the quality and coordination of care and provided financial savings to the medical assistance program. The U special kids program shall submit to the commissioner, in the form and manner specified by the commissioner, all data and information necessary to monitor program outcomes and evaluate the program. The commissioner shall present a preliminary evaluation to the legislature by January 15, 2008, and a final evaluation to the legislature by January 15, 2010.

Sec. 2. **[256B.0752] CARE COORDINATION FOR CHILDREN WITH HIGH-COST MENTAL HEALTH CONDITIONS.**

**Subdivision 1. Care coordination required.** (a) The commissioner of human services shall contract with the U special kids program to provide care coordination, beginning October 1, 2007, for medical assistance enrollees who are children with high-cost mental health conditions and behavioral problems, and to perform the other duties specified in this section.

(b) For purposes of this section, "care coordination" means collaboration with primary care physicians and specialists to manage care, development of mental health management plans for recurrent mental health issues, oversight and coordination of all aspects of care in partnership with families, organization of medical, treatment, and therapy information into a summary of critical information, coordination and appropriate sequencing of evaluations and multiple appointments, information and assistance with accessing resources, and telephone triage for behavior or other problems.

**Subd. 2. Referrals.** The commissioner shall develop a mechanism to refer children to the program for care coordination. Beginning October 1, 2007, and subject to the limits on total program enrollment specified in subdivision 3, the commissioner shall refer to the U special kids program children who:

(1) incur mental health expenses that exceed the qualifying level specified in subdivision 3; and

(2) are currently receiving or at risk of needing inpatient mental health treatment, foster home care, or both.

**Subd. 3. Qualifying level of medical expenses.** (a) Beginning October 1, 2007, the commissioner shall refer children for care coordination under this section if they incurred medical and mental health expenses of \$250,000 or more in the previous fiscal year.

(b) The commissioner shall limit referrals to the extent necessary to ensure that total enrollment in the U special kids program does not exceed 25 children for the period October 1, 2007, through September 30, 2008; does not exceed 75 children for the period October 1, 2008, through September 30, 2009; and does not exceed 125 children beginning October 1, 2009.

**Subd. 4. Case management.** The U special kids program, beginning October 1, 2007, shall coordinate all nonmedical case management services provided to children who are required to receive care coordination under this section. The program may require all nonmedical case managers, including but not limited to county case managers and case managers for children served under a home and community-based waiver, to submit care plans for approval, and to document client compliance with the care plans. The U special kids program, beginning October 1, 2008, may employ or contract with nonmedical case managers to provide all nonmedical case management services to children required to receive care coordination under this section. The commissioner shall reimburse the U special kids program for case management services through the medical assistance program.

**Subd. 5. Statewide availability of care coordination.** The program may contract with other entities to provide care coordination services as defined in subdivision 1, in order to ensure the availability of these services in all regions of the state.

**Subd. 6. Monitoring and evaluation.** The commissioner shall monitor program outcomes and shall evaluate the extent to which referrals to the U special kids program have improved the quality and coordination of care and provided financial savings to the medical assistance program. The U special kids program shall submit to the commissioner, in the form and manner specified by the commissioner, all data and information necessary to monitor program outcomes and evaluate the program. The commissioner shall present a preliminary evaluation to the legislature by January 15, 2008, and a final evaluation to the legislature by January 15, 2010.

Sec. 3. **APPROPRIATION.**

Subdivision 1. Care coordination for medical conditions. (a) \$1,500,000 in fiscal year 2008 and \$1,500,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of human services for contracting for care coordination with the U special kids program under Minnesota Statutes, section 256B.0751.

(b) \$500,000 in fiscal year 2008 and \$500,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of human services for the U special kids program to establish and administer an advance practice nurse telephone triage system under Minnesota Statutes, section 256B.0751, subdivision 6.

(c) \$500,000 in fiscal year 2008 and \$750,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of human services to reimburse the U special kids program for complementary alternative medicine treatment not covered under medical assistance.

Subd. 2. Care coordination for mental health conditions. (a) \$500,000 in fiscal year 2008 and \$1,000,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of human services for contracting for care coordination with the U special kids program under section 1. The base funding for this activity shall be \$1,500,000 for fiscal years 2010 and beyond.

(b) \$125,000 in fiscal year 2008 and \$375,000 in fiscal year 2009 are appropriated from the general fund to the commissioner of human services for the U special kids program to cover complementary alternative medicine services and over-the-counter nutritional supplements not covered under medical assistance, subject to an annual limit of \$5,000 per patient. The base funding for this activity shall be \$625,000 for fiscal years 2010 and beyond."

Amend the title as follows:

Page 1, line 3, after "medical" insert "and mental health"

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. 2182, A bill for an act relating to human services; establishing an advisory committee to simplify program administration; requiring studies and reports; amending Minnesota Statutes 2006, section 256.01, 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 256.01, is amended by adding a subdivision to read:

Subd. 23. Administrative simplification; county cost study. (a) The commissioner shall establish and convene the first meeting of an advisory committee to identify ways to simplify and streamline human services laws and administrative requirements. The advisory committee shall select its chair from its membership at the first meeting.

(b) The committee shall consist of three senators appointed by the senate Committee on Rules and Administration, three representatives appointed by the speaker of the house of representatives, four department staff, and five county representatives appointed by the Association of Minnesota Counties after consultation with other relevant county organizations.

(c) The committee shall annually select up to two topics for review. The goals of the reviews are to discuss opportunities for administrative improvements and increased simplification and streamlining to improve consistency, efficiency, fairness, and to reduce the risk of recipient noncompliance. In reviewing the topics selected, consideration shall be given to:

(1) current challenges in administrative complexity and service delivery and whether the sharing of responsibilities between the state and the county should be altered in any way, including transferring responsibilities from one entity to the other;

(2) methods of reducing inconsistency with similar programs; and

(3) the current funding mechanism, whether funding formulas should be adjusted for special demographic or geographic factors that influence program costs, differences in county property tax contributions and maintenance of effort obligations, and whether the mix of state and county obligations for financial support of this service should be changed.

(d) The committee members shall assume responsibility for reporting progress to the appropriate leadership of the groups they represent. The commissioner, in partnership with the advisory committee, shall report to the legislative committees and divisions with jurisdiction over the Department of Human Services on the findings and recommendations of the advisory committee by December 15 of each year.

Sec. 2. **EXPIRATION.**

Section 1 expires June 30, 2012."

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

The report was adopted.

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

H. F. No. 2218, A bill for an act relating to utilities; specifying conditions and procedures for the payment of compensation to certain intervenors in utility proceedings; amending Minnesota Statutes 2006, section 216B.16, subdivision 10.

Reported the same back with the following amendments:

Page 1, line 12, delete "any contested matter" and insert "a general rate case"

Page 2, delete lines 11 to 14 and insert:

"(1) whether the costs presented in the intervenor's claim reflect reasonable fees for attorneys and expert witnesses and other reasonable costs; and

(2) the ratio between the costs of intervention and the intervenor's unrestricted funds."

Page 2, line 31, delete "and"

Page 2, line 32, delete the period and insert "; and"

Page 2, after line 32, insert:

"(7) a narrative explaining why additional organizational funds cannot be devoted to the intervention."

Page 3, delete section 2 and insert:

"Sec. 2. REPEALER.

Minnesota Rules, parts 7831.0100; 7831.0200; 7831.0300; 7831.0400; 7831.0500; 7831.0600; 7831.0700; and 7831.0800, are repealed as they pertain to a general rate case for a gas or electric utility held before the commission."

Correct the title numbers accordingly

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:

S. F. No. 357, A bill for an act relating to housing; regulating transactions between certain low-income and moderate-income housing developers and local units of government; proposing coding for new law in Minnesota Statutes, chapter 462A.

Reported the same back with the recommendation that the bill pass and be re-referred to the Committee on Local Government and Metropolitan Affairs.

The report was adopted.

Carlson from the Committee on Finance to which was referred:

S. F. No. 463, A bill for an act relating to notaries public; increasing maximum fees; amending Minnesota Statutes 2006, section 357.17.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

**SECOND READING OF HOUSE BILLS**

H. F. Nos. 849, 1656, 1675, 2045, 2090 and 2218 were read for the second time.

**SECOND READING OF SENATE BILLS**

S. F. No. 463 was read for the second time.

**MESSAGES FROM THE SENATE**

The following message was received from the Senate:

Madam Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 7, A Senate concurrent resolution relating to adjournment for more than three days.

PATRICK E. FLAHAVEN, Secretary of the Senate

Senate Concurrent Resolution No. 7 was referred to the Committee on Rules and Legislative Administration.

**FISCAL CALENDAR**

Pursuant to rule 1.22, Solberg requested immediate consideration of H. F. No. 886.

H. F. No. 886 was reported to the House.

**CALL OF THE HOUSE**

On the motion of Sertich and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Anderson, B.	Atkins	Berns	Brod	Buesgens	Clark
Anderson, S.	Beard	Bigham	Brown	Bunn	Cornish
Anzelc	Benson	Bly	Brynaert	Carlson	Davnie

Dean	Greiling	Kahn	McNamara	Peterson, N.	Tillberry
DeLaForest	Gunther	Kalin	Moe	Peterson, S.	Tingelstad
Demmer	Hackbarth	Knuth	Morgan	Poppe	Tschumper
Dettmer	Hamilton	Koenen	Morrow	Ruth	Urdahl
Dill	Hansen	Kohls	Mullery	Ruud	Wagenius
Dittrich	Hausman	Kranz	Murphy, E.	Sailer	Walker
Dominguez	Haws	Laine	Murphy, M.	Seifert	Ward
Doty	Heidgerken	Lanning	Nelson	Sertich	Wardlow
Eastlund	Hilstrom	Lenczewski	Nornes	Severson	Welti
Eken	Hilty	Lesch	Norton	Shimanski	Westrom
Emmer	Holberg	Liebling	Olin	Simon	Winkler
Erhardt	Hoppe	Lillie	Olson	Simpson	Wollschlager
Erickson	Hornstein	Loeffler	Otremba	Slawik	Zellers
Faust	Hortman	Madore	Ozment	Slocum	Spk. Kelliher
Finstad	Hosch	Magnus	Paulsen	Solberg	
Fritz	Huntley	Mahoney	Paymar	Sviggum	
Gardner	Jaros	Marquart	Pelowski	Swails	
Garofalo	Johnson	Masin	Peppin	Thao	
Gottwalt	Juhnke	McFarlane	Peterson, A.	Thissen	

Sertich moved that further proceedings of the roll call be suspended and that the Sergeant at Arms be instructed to bring in the absentees. The motion prevailed and it was so ordered.

Emmer moved to amend H. F. No. 886, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. **CAPITAL IMPROVEMENT APPROPRIATIONS.**

The sums shown in the column marked "appropriations" are appropriated to the agencies and for the purposes specified in this act. The appropriations are from the bond proceeds fund to the state agencies or officials indicated, to be spent for public purposes. Appropriations of bond proceeds must be spent as authorized by the Minnesota Constitution, article XI, section 5, paragraph (a), to acquire and better public land and buildings and other public improvements of the capital nature, or as authorized by the Minnesota Constitution, article XI, section 5, paragraphs (b) to (j). Unless otherwise specified, the appropriations in this act are available until the project is completed or abandoned subject to Minnesota Statutes, section 16A.642.

#### **SUMMARY**

<u>Natural Resources</u>	<u>\$2,000,000</u>
<u>Corrections</u>	<u>6,117,000</u>
<u>Bond Sale Expenses</u>	<u>8,000</u>
<b><u>TOTAL</u></b>	<b><u>\$8,125,000</u></b>
<u>Bond Proceeds Fund (General Fund Debt Service)</u>	<u>8,125,000</u>

**APPROPRIATIONS**Sec. 2. **NATURAL RESOURCES****\$2,000,000**

To the commissioner of natural resources for a flood hazard mitigation grant under Minnesota Statutes, section 103F.161, for Browns Valley.

To the extent that the cost of the project in Browns Valley exceeds two percent of the median household income in the municipality multiplied by the number of households in the municipality, this appropriation is also for the local share of the project.

Sec. 3. **CORRECTIONS**Subdivision 1. **Total Appropriation****\$6,117,000**

To the commissioner of administration for the purposes specified in this section.

Subd. 2. **Minnesota Correctional Facility - Oak Park Heights**(a) **Perimeter System Renovation****3,875,000**

To renovate the perimeter system at the Oak Park Heights Correctional Facility by replacing the security fence system for the inside wall of the main prison yard and exterior fence, replacing the perimeter lighting system and the security razor ribbon, and installing cameras and lighting to correspond to the perimeter system's added security zones.

(b) **Ventilation System Renovation****2,242,000**

To renovate the ventilation system at the Oak Park Heights Correctional Facility by demolishing sections of existing ductwork, installing new ductwork, installing an ultraviolet lighting system, installing system air controls and electronics, and cleaning or otherwise renovating sections of existing ductwork.

Sec. 4. **BOND SALE EXPENSES****\$8,000**

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 5. **BOND SALE AUTHORIZATION.**

To provide the money appropriated in this act from the bond proceeds fund, the commissioner of finance shall sell and issue bonds of the state in an amount up to \$8,125,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7.

Sec. 6. **EFFECTIVE DATE.**

This act is effective the day following final enactment."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Emmer amendment and the roll was called. There were 39 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Finstad	Kohls	Paulsen	Simpson
Anderson, S.	Demmer	Garofalo	Magnus	Peppin	Wardlow
Beard	Dettmer	Gottwalt	McFarlane	Peterson, N.	Westrom
Berns	Eastlund	Gunther	McNamara	Ruth	Zellers
Brod	Emmer	Hackbarth	Nornes	Seifert	
Buesgens	Erhardt	Holberg	Olson	Severson	
Cornish	Erickson	Hoppe	Ozment	Shimanski	

Those who voted in the negative were:

Anzelc	Doty	Hosch	Lillie	Olin	Sviggum
Atkins	Eken	Huntley	Loeffler	Otremba	Swails
Benson	Faust	Jaros	Madore	Paymar	Thao
Bigham	Fritz	Johnson	Mahoney	Pelowski	Thissen
Bly	Gardner	Juhnke	Mariani	Peterson, A.	Tillberry
Brown	Greiling	Kahn	Marquart	Peterson, S.	Tingelstad
Brynaert	Hamilton	Kalin	Masin	Poppe	Tschumper
Bunn	Hansen	Knuth	Moe	Rukavina	Urdahl
Carlson	Hausman	Koenen	Morgan	Ruud	Wagenius
Clark	Haws	Kranz	Morrow	Sailer	Walker
Davnie	Heidgerken	Laine	Mullery	Sertich	Ward
Dean	Hilstrom	Lanning	Murphy, E.	Simon	Welti
Dill	Hilty	Lenczewski	Murphy, M.	Slawik	Winkler
Dittrich	Hornstein	Lesch	Nelson	Slocum	Wollschlager
Dominguez	Hortman	Liebling	Norton	Solberg	Spk. Kelliher

The motion did not prevail and the amendment was not adopted.

DeLaForest moved to amend H. F. No. 886, the first engrossment, as follows:

Page 3, delete lines 15 to 23

Page 5, delete lines 31 to 35

Page 6, delete lines 1 to 11

Page 7, delete lines 1 to 20

Page 7, delete lines 32 to 33

Page 8, delete lines 1 to 4

Page 8, delete lines 23 to 34

Page 9, delete lines 1 to 2

Page 9, delete section 6

Page 10, delete lines 10 to 35

Page 11, delete lines 1 to 4

Page 11, delete section 8

Page 11, delete lines 27 to 33

Page 12, delete lines 1 to 26

Page 13, delete lines 31 to 33 and insert:

"Subd. 3. **Local Road Improvement Program.**

\$177,973,000

\$89,335,000 is for construction and reconstruction of local roads with statewide or regional significance under Minnesota Statutes, section 174.52, subdivision 4. Of this amount, \$20,210,000 is from the general fund.

\$88,638,000 is for grants to counties to assist in paying the costs of capital improvement projects on county state-aid highways under Minnesota Statutes, section 174.52, subdivision 4a, but not to the county of Anoka, Carver, Chisago, Dakota, Hennepin, Ramsey, Scott, or Washington. Of this amount, \$35,891,000 is from the general fund.

\$20,673,000 of this appropriation is from the bond proceeds account in the trunk highway fund."

Page 14, delete lines 1 to 34

Page 15, delete lines 1 to 6

Page 15, delete lines 11 to 27

Page 16, delete lines 9 to 27

Page 17, delete lines 10 to 17

Page 17, delete section 13

Page 18, delete lines 30 to 34

Page 19, delete lines 1 to 33

Page 20, delete lines 8 to 13

Renumber the sections and subdivisions in sequence

Adjust amounts accordingly

A roll call was requested and properly seconded.

The question was taken on the DeLaForest amendment and the roll was called. There were 37 yeas and 92 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	DeLaForest	Gottwalt	McFarlane	Seifert	Westrom
Anderson, S.	Dettmer	Hackbarth	McNamara	Severson	Zellers
Beard	Eastlund	Heidgerken	Nornes	Shimanski	
Berns	Emmer	Holberg	Olson	Simpson	
Brod	Erickson	Hoppe	Ozment	Sviggum	
Buesgens	Finstad	Kohls	Paulsen	Urdahl	
Cornish	Garofalo	Magnus	Peppin	Wardlow	

Those who voted in the negative were:

Anzelc	Doty	Hosch	Loeffler	Paymar	Thao
Atkins	Eken	Huntley	Madore	Pelowski	Thissen
Benson	Erhardt	Jaros	Mahoney	Peterson, A.	Tillberry
Bigham	Faust	Johnson	Mariani	Peterson, N.	Tingelstad
Bly	Fritz	Juhnke	Marquart	Peterson, S.	Tschumper
Brown	Gardner	Kahn	Masin	Poppe	Wagenius
Brynaert	Greiling	Kalin	Moe	Rukavina	Walker
Bunn	Gunther	Knuth	Morgan	Ruth	Ward
Carlson	Hamilton	Koenen	Morrow	Ruud	Welti
Clark	Hansen	Kranz	Mullery	Sailer	Winkler
Davnie	Hausman	Laine	Murphy, E.	Sertich	Wollschlager
Dean	Haws	Lanning	Murphy, M.	Simon	Spk. Kelliher
Demmer	Hilstrom	Lenczewski	Nelson	Slawik	
Dill	Hilty	Lesch	Norton	Slocum	
Dittrich	Hornstein	Liebling	Olin	Solberg	
Dominguez	Hortman	Lillie	Otremba	Swails	

The motion did not prevail and the amendment was not adopted.

Peppin moved to amend H. F. No. 886, the first engrossment, as follows:

Page 8, delete lines 28 to 31

Page 15, after line 6, insert:

"Subd. 8. **Noise barrier for Rogers tornado relief.**

650,000

This appropriation is from the general fund to the commissioner of transportation for predesign, design, and construction of a noise barrier erected along marked Interstate Highway 94 adjacent to Rogers, Minnesota to provide substantial noise reduction and to mitigate the effects of tree loss resulting from the Rogers tornado on September 16, 2006. This is a onetime appropriation and is available until expended."

Adjust amounts accordingly

Renumber or reletter in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Peppin amendment and the roll was called. There were 34 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Demmer	Gottwalt	Kohls	Seifert	Urdahl
Anderson, S.	Dettmer	Gunther	McNamara	Severson	Wardlow
Berns	Eastlund	Hackbarth	Nornes	Shimanski	Westrom
Cornish	Emmer	Heidgerken	Olson	Simpson	Zellers
Dean	Erickson	Holberg	Peppin	Sviggum	
DeLaForest	Garofalo	Hoppe	Ruth	Swails	

Those who voted in the negative were:

Anzelc	Dominguez	Hortman	Lillie	Norton	Slawik
Atkins	Doty	Hosch	Loeffler	Olin	Slocum
Beard	Eken	Huntley	Madore	Otremba	Solberg
Benson	Erhardt	Jaros	Magnus	Ozment	Thao
Bigham	Faust	Johnson	Mahoney	Paulsen	Thissen
Bly	Finstad	Juhnke	Mariani	Paymar	Tillberry
Brod	Fritz	Kahn	Marquart	Pelowski	Tingelstad
Brown	Gardner	Kalin	Masin	Peterson, A.	Tschumper
Brynaert	Greiling	Knuth	McFarlane	Peterson, N.	Wagenius
Buesgens	Hamilton	Koenen	Moe	Peterson, S.	Walker
Bunn	Hansen	Kranz	Morgan	Poppe	Ward
Carlson	Hausman	Laine	Morrow	Rukavina	Welti
Clark	Haws	Lanning	Mullery	Ruud	Winkler
Davnie	Hilstrom	Lenczewski	Murphy, E.	Sailer	Wollschlager
Dill	Hilty	Lesch	Murphy, M.	Sertich	Spk. Kelliher
Dittrich	Hornstein	Liebling	Nelson	Simon	

The motion did not prevail and the amendment was not adopted.

Sviggum moved to amend H. F. No. 886, the first engrossment, as follows:

Page 13, line 5, delete "10,000,000" and insert "24,125,000"

Pages 14 and 15, delete subdivisions 5 to 7

Pages 15 and 16, delete subdivisions 2 to 4

Pages 16 and 17, delete subdivisions 5 to 8 and insert:

"Subd. 2. **Metropolitan Transit Grants** 24,125,000

For deposit in a transit grant account to be used for transit grants."

Adjust totals accordingly

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 42 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Anderson, B.	Dean	Finstad	Holberg	Nornes	Shimanski
Anderson, S.	DeLaForest	Garofalo	Hoppe	Olson	Simpson
Beard	Demmer	Gottwalt	Kohls	Paulsen	Sviggum
Berns	Dettmer	Gunther	Lanning	Peppin	Urdahl
Brod	Eastlund	Hackbarth	Magnus	Ruth	Wardlow
Buesgens	Emmer	Hamilton	McFarlane	Seifert	Westrom
Cornish	Erickson	Heidgerken	McNamara	Severson	Zellers

Those who voted in the negative were:

Anzelc	Eken	Jaros	Mahoney	Paymar	Thao
Atkins	Erhardt	Johnson	Mariani	Pelowski	Thissen
Benson	Faust	Juhnke	Marquart	Peterson, A.	Tillberry
Bigham	Fritz	Kahn	Masin	Peterson, N.	Tingelstad
Bly	Gardner	Kalin	Moe	Peterson, S.	Tschumper
Brown	Greiling	Knuth	Morgan	Poppe	Wagenius
Brynaert	Hansen	Koenen	Morrow	Rukavina	Walker
Bunn	Hausman	Kranz	Mullery	Ruud	Ward
Carlson	Haws	Laine	Murphy, E.	Sailer	Welti
Clark	Hilstrom	Lenczewski	Murphy, M.	Sertich	Winkler
Davnie	Hilty	Lesch	Nelson	Simon	Wollschlager
Dill	Hornstein	Liebling	Norton	Slawik	Spk. Kelliher
Dittrich	Hortman	Lillie	Olin	Slocum	
Dominguez	Hosch	Loeffler	Otremba	Solberg	
Doty	Huntley	Madore	Ozment	Swails	

The motion did not prevail and the amendment was not adopted.

H. F. No. 886, A bill for an act relating to capital improvements; authorizing spending to acquire and better public land and buildings and other improvements of a capital nature with certain conditions; authorizing the sale of state bonds; appropriating money; amending Minnesota Statutes 2006, sections 16A.695, subdivisions 2, 3, by adding subdivisions; 16A.86, subdivision 3; 116R.01, subdivision 6; 116R.02, subdivisions 1, 2, 4, 5; 116R.03; 116R.05, subdivision 2; 116R.11, subdivision 1; 116R.12, by adding a subdivision; 272.01, subdivision 2; 290.06, subdivision 24; 297A.71, subdivision 10; 360.013, subdivision 39; 360.032, subdivision 1; 360.038, subdivision 4; Laws 2005, chapter 20, article 1, sections 7, subdivision 21; 20, subdivision 3; 23, subdivisions 8, 16; Laws 2006, chapter 258, sections 4, subdivision 4; 7, subdivision 11; 21, subdivisions 6, 15; repealing Minnesota Statutes 2006, sections 116R.02, subdivisions 3, 6, 7, 9; 116R.16.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 84 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anzenc	Doty	Huntley	Loeffler	Olin	Solberg
Atkins	Eken	Jaros	Madore	Otremba	Swails
Benson	Faust	Johnson	Mahoney	Paymar	Thao
Bigham	Fritz	Juhnke	Mariani	Pelowski	Thissen
Bly	Gardner	Kahn	Marquart	Peterson, A.	Tillberry
Brown	Greiling	Kalin	Masin	Peterson, S.	Tingelstad
Brynaert	Hansen	Knuth	Moe	Poppe	Tschumper
Bunn	Hausman	Koenen	Morgan	Rukavina	Wagenius
Carlson	Haws	Kranz	Morrow	Ruud	Walker
Clark	Hilstrom	Laine	Mullery	Sailer	Ward
Davnie	Hilty	Lenczewski	Murphy, E.	Sertich	Welti
Dill	Hornstein	Lesch	Murphy, M.	Simon	Winkler
Dittrich	Hortman	Liebling	Nelson	Slawik	Wollschlager
Dominguez	Hosch	Lillie	Norton	Slocum	Spk. Kelliher

Those who voted in the negative were:

Anderson, B.	DeLaForest	Garofalo	Kohls	Paulsen	Sviggum
Anderson, S.	Demmer	Gottwalt	Lanning	Peppin	Urdahl
Beard	Dettmer	Gunther	Magnus	Peterson, N.	Wardlow
Berns	Eastlund	Hackbarth	McFarlane	Ruth	Westrom
Brod	Emmer	Hamilton	McNamara	Seifert	Zellers
Buesgens	Erhardt	Heidgerken	Nornes	Severson	
Cornish	Erickson	Holberg	Olson	Shimanski	
Dean	Finstad	Hoppe	Ozment	Simpson	

The bill was passed and its title agreed to.

#### CALL OF THE HOUSE LIFTED

Sertich moved that the call of the House be lifted. The motion prevailed and it was so ordered.

**MOTIONS AND RESOLUTIONS**

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

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

Welti moved that the name of Garofalo be added as an author on H. F. No. 839. The motion prevailed.

Slawik moved that the name of Murphy, M., be added as an author on H. F. No. 1056. The motion prevailed.

Otremba moved that the name of Heidgerken be added as an author on H. F. No. 1065. The motion prevailed.

Davnie moved that the name of Lillie be added as an author on H. F. No. 1084. The motion prevailed.

Jaros moved that the names of Urdahl, Gardner, Bly, Eken, Johnson, Sailer and Peterson, N., be added as authors on H. F. No. 1660. The motion prevailed.

Walker moved that the name of Brynaert be added as an author on H. F. No. 1724. The motion prevailed.

Ruud moved that the name of Walker be added as an author on H. F. No. 2005. The motion prevailed.

Knuth moved that the name of Brynaert be added as an author on H. F. No. 2215. The motion prevailed.

Davnie moved that the name of Kahn be added as an author on H. F. No. 2252. The motion prevailed.

Sertich moved that the name of Moe be added as an author on H. F. No. 2285. The motion prevailed.

Hilty moved that the name of Moe be added as an author on H. F. No. 2307. The motion prevailed.

Welti moved that the name of Liebling be added as an author on H. F. No. 2319. The motion prevailed.

Holberg moved that the names of Sviggum; Anderson, S.; Peppin; Garofalo and Dettmer be added as authors on H. F. No. 2365. The motion prevailed.

Mullery moved that H. F. No. 931, now on the General Register, be re-referred to the Committee on Finance. The motion prevailed.

Atkins moved that H. F. No. 1359, now on the General Register, be re-referred to the Committee on Finance. The motion prevailed.

Fritz moved that H. F. No. 1401, now on the General Register, be re-referred to the Committee on Finance. The motion prevailed.

Walker moved that H. F. No. 1844, now on the General Register, 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 29, 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 29, 2007.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives

