The House of Representatives convened at 3:00 p.m. and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by the Reverend Hans Jorgensen, St. Timothy Lutheran Church, St. Paul, 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    Davids    Hamilton    Laine    Morrow    Scalze
Allen     Davnie    Hancock    Lanning    Mullery    Schomacker
Anderson, B.    Dean    Hansen    Leidiger    Murdock    Scott
Anderson, D.    Dettmer    Hausman    LeMieux    Murphy, E.    Shimanski
Anderson, P.    Dill    Hilty    Lenczewski    Murphy, M.    Simon
Anderson, S.    Dittrich    Holberg    Lesch    Murray    Slawik
Anzelc    Doepke    Hoppe    Liebling    Myhra    Slocum
Atkins     Downey    Hornstein    Lillie    Nelson    Smith
Banaian    Drazkowski    Hortman    Loeffer    Normes    Stensrud
Barrett    Eken    Hosch    Lohmer    Norton    Swedzinski
Beard      Erickson    Howes    Loon    O'Driscoll    Thissen
Benson, J.    Fabian    Huntley    Mack    Paymar    Torkelson
Benson, M.    Falk    Johnson    Mahoney    Pelowski    Udahl
Bills      Franson    Kahn    Mariani    Peppin    Vogel
Brynaert   Fritz    Kath    Marquart    Persell    Wagenius
Buesgens   Garofalo    Kelly    Mazorol    Petersen, B.    Ward
Carlson    Gauthier    Kieffer    McDonald    Petersen, S.    Wardlow
Champion   Gottwalt    Kiel    McElfrick    Poppe    Westrom
Clark      Greiling    Kiffmeyer    McFarlane    Quam    Winkler
Cornish    Gruenhagen    Knuth    McNamara    Rukavina    Woodard
Crawford   Gunther    Koenen    Melin    Runbeck    Sanders
Daudt      Hackforth    Kriesel    Moran    Spk. Zellers

A quorum was present.

Greene, Hilstrom and Tillberry were excused.

IN MEMORIAM

The members of the House of Representatives paused for a moment of silence in memory of former Representative Gary W. Kubly, of Granite Falls, Minnesota, who served from 1997 through 2002, who passed away on Friday, March 2, 2012.
The Chief Clerk proceeded to read the Journal of the preceding day. There being no objection, further reading of the Journal was dispensed with and the Journal was approved as corrected by the Chief Clerk.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

March 1, 2012

The Honorable Kurt Zellers
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Zellers:

Please be advised that I have received, approved, signed, and deposited in the Office of the Secretary of State H. F. Nos. 1926 and 1585.

Sincerely,

MARK DAYTON
Governor

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

The Honorable Kurt Zellers
Speaker of the House of Representatives

The Honorable Michelle L. Fischbach
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 2012 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<table>
<thead>
<tr>
<th>S. F. No.</th>
<th>H. F. No.</th>
<th>Session Laws Chapter No.</th>
<th>Time and Date Approved</th>
<th>Date Filed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1926</td>
<td>124</td>
<td></td>
<td>12:24 p.m. March 1</td>
<td>March 1</td>
</tr>
</tbody>
</table>
REPORTS OF STANDING COMMITTEES AND DIVISIONS

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

H. F. No. 343, A bill for an act relating to crime; enhancing enforcement capability for identity theft and other fraudulent activities conducted electronically; amending Minnesota Statutes 2010, sections 53B.18; 299L.01; proposing coding for new law in Minnesota Statutes, chapter 299L.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 53B.18, is amended to read:

53B.18 PROHIBITED PRACTICES.

No licensee shall:

(1) fail to comply with chapter 345 as it relates to unclaimed property requirements;

(2) refuse to indemnify an instrument holder for any misappropriation of money caused by any of its authorized delegates in conducting activities on behalf of the licensee for whom it acts as an authorized delegate; or

(3) fail to transmit all money received for wire transmission in accordance with the purchaser's instructions within five days; or

(4) fail to comply with section 53B.27.

Sec. 2. [53B.27] MONEY TRANSMITTERS; COOPERATION REQUIRED IN COMBATTING FRAUD.

Subdivision 1. Fraud prevention measures required. Each money transmitter shall:

(1) provide a clear, concise, and conspicuous consumer fraud warning on all transmittal forms used by consumers;

(2) provide consumer fraud prevention training for agents involved with transmittals;

(3) monitor agent activity relating to consumer transmittals; and

(4) establish a toll-free number for consumers to call to report fraud or suspected fraud.
Subd. 2. **Voluntary disqualification by customer.** A money transmitter that originates money transfers in this state must allow an individual to voluntarily disqualify the individual from sending or receiving money transfers. The disqualification lasts for one year, unless the individual requests that it be in effect for a period longer than one year. The individual may terminate the disqualification at any time upon written notice to the money transmitter.

Delete the title and insert:

"A bill for an act relating to commerce; regulating money transmitters; requiring cooperation in combatting fraud; amending Minnesota Statutes 2010, section 53B.18; proposing coding for new law in Minnesota Statutes, chapter 53B."

With the recommendation that when so amended the bill pass.

The report was adopted.

Shimanski from the Committee on Judiciary Policy and Finance to which was referred:

H. F. No. 1428, A bill for an act relating to public safety; establishing Emily's law; lowering the age of extended jurisdiction juvenile prosecution for violent offenses; amending Minnesota Statutes 2010, sections 242.44; 260B.007, by adding a subdivision; 260B.130; 260B.141, subdivision 4; 260B.193, subdivision 5; 260B.198, subdivision 6; 260B.199; 260B.201, subdivision 2; 609.055.

Reported the same back with the following amendments:

Page 1, line 21, delete "2011" and insert "2012"
Page 2, line 12, delete "2011" and insert "2012"
Page 5, line 7, delete "2011" and insert "2012"
Page 5, line 20, delete "2011" and insert "2012"
Page 6, line 27, delete "2011" and insert "2012"
Page 6, line 34, delete "2011" and insert "2012"
Page 7, line 17, delete "2011" and insert "2012"
Page 8, line 3, delete "2011" and insert "2012"
Page 8, line 29, delete "2011" and insert "2012"

With the recommendation that when so amended the bill pass.

The report was adopted.
Erickson from the Committee on Education Reform to which was referred:

H. F. No. 1510, A bill for an act relating to education; making alternative compensation revenue available to school principals and assistant principals; proposing coding for new law in Minnesota Statutes, chapter 122A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 122A.413, subdivision 2, is amended to read:

Subd. 2. Plan components. The school board must approve an educational improvement plan that is consistent with section 122A.40, subdivision 8, or 122A.41, subdivision 5, and has at least these elements:

(1) assessment and evaluation tools to measure student performance and progress;

(2) performance goals and benchmarks for improvement;

(3) measures of student attendance and completion rates;

(4) a rigorous research and practice-based professional development system, based on national and state standards of effective teaching practice and consistent with section 122A.60, that is aligned with educational improvement and designed to achieve ongoing and schoolwide progress and growth in teaching practice;

(5) measures of student, family, and community involvement and satisfaction;

(6) a data system about students and their academic progress that provides parents and the public with understandable information;

(7) a teacher induction and mentoring program for probationary teachers that provides continuous learning and sustained teacher support; and

(8) substantial participation by the exclusive representative of the teachers in developing the plan.

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

Sec. 2. Minnesota Statutes 2010, section 122A.414, subdivision 1a, is amended to read:

Subd. 1a. Transitional planning year. (a) To be eligible to participate in an alternative teacher professional pay system, a school district, intermediate school district, or site, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the school district or intermediate school district and the exclusive representative of the teachers to complete a plan preparing for full implementation, consistent with subdivision 2, that may include, among other activities, training to evaluate teacher performance consistent with section 122A.40, subdivision 8, or 122A.41, subdivision 5, a restructured school day to develop integrated ongoing site-based professional development activities, release time to develop an alternative pay system agreement, and teacher and staff training on using multiple data sources; and
(2) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system agreement under this section.

(b) To be eligible to participate in an alternative teacher professional pay system, a charter school, at least one school year before it expects to fully implement an alternative pay system, must:

(1) submit to the department a letter of intent executed by the charter school and the charter school board of directors;

(2) submit the record of a formal vote by the teachers employed at the charter school indicating at least 70 percent of all teachers agree to implement the alternative pay system; and

(3) agree to use up to two percent of basic revenue for staff development purposes, consistent with sections 122A.60 and 122A.61, to develop the alternative teacher professional pay system.

(c) The commissioner may waive the planning year if the commissioner determines, based on the criteria under subdivision 2, that the school district, intermediate school district, site or charter school is ready to fully implement an alternative pay system.

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

Sec. 3. Minnesota Statutes 2010, section 122A.414, subdivision 2, is amended to read:

Subd. 2. **Alternative teacher professional pay system.** (a) To participate in this program, a school district, intermediate school district, school site, or charter school must have an educational improvement plan under section 122A.413 and an alternative teacher professional pay system agreement under paragraph (b). A charter school participant also must comply with subdivision 2a.

(b) The alternative teacher professional pay system agreement must be consistent with section 122A.40, subdivision 8, or 122A.41, subdivision 5, and must:

(1) describe how teachers can achieve career advancement and additional compensation;

(2) describe how the school district, intermediate school district, school site, or charter school will provide teachers with career advancement options that allow teachers to retain primary roles in student instruction and facilitate site-focused professional development that helps other teachers improve their skills;

(3) reform the "steps and lanes" salary schedule, prevent any teacher's compensation paid before implementing the pay system from being reduced as a result of participating in this system, and base at least 60 percent of any compensation increase on teacher performance using:

(i) schoolwide student achievement gains under section 120B.35 or locally selected standardized assessment outcomes, or both;

(ii) measures of student achievement; and

(iii) an objective evaluation program that includes:

(A) individual teacher evaluations aligned with the educational improvement plan under section 122A.413 and the staff development plan under section 122A.60; and
(B) objective evaluations using multiple criteria conducted by a locally selected and periodically trained
evaluation team that understands teaching and learning;

(4) provide integrated ongoing site-based professional development activities to improve instructional skills and
learning that are aligned with student needs under section 122A.413, consistent with the staff development plan
under section 122A.60 and led during the school day by trained teacher leaders such as master or mentor teachers;

(5) allow any teacher in a participating school district, intermediate school district, school site, or charter school
that implements an alternative pay system to participate in that system without any quota or other limit; and

(6) encourage collaboration rather than competition among teachers.

EFFECTIVE DATE. This section is effective the day following final enactment and applies to all applications to
participate in the alternative teacher professional pay system submitted to the commissioner of education after that date.

Sec. 4. [122A.4152] ALTERNATIVE COMPENSATION REVENUE FOR SCHOOL PRINCIPALS.

(a) Notwithstanding sections 122A.413, 122A.414, 122A.4144, 122A.415, or other law to the contrary,
alternative teacher compensation revenue is also available for school principals and assistant principals who are
employed in a school or district with an approved plan for implementing an alternative teacher professional pay
system. To make principals and assistant principals eligible to receive alternative professional pay under this
section, a participating school or district must: submit a letter of intent to the commissioner to participate under this
section; develop a supplemental educational improvement plan for principals that is consistent with the structure and
terms of the educational improvement plan for teachers currently in effect in the school or district and section
123B.147, subdivision 3; and receive the commissioner’s approval of the supplemental plan. For participating districts
under this section, the school board and the exclusive representative of the principals also must agree to the plan.

(b) Consistent with paragraph (a), the department must develop and disseminate model supplemental educational
improvement plans based on the needs and characteristics of school principals and assistant principals and section
123B.147, subdivision 3.

EFFECTIVE DATE. This section is effective September 1, 2012, and applies to all alternative teacher
professional pay system agreements entered into or modified after that date.

Sec. 5. Minnesota Statutes 2010, section 122A.60, subdivision 1a, is amended to read:

Subd. 1a. Effective staff development activities. (a) Staff development activities must:

(1) focus on the school classroom and research-based strategies that improve student learning;

(2) provide opportunities for teachers to practice and improve their instructional skills over time;

(3) provide opportunities for teachers to use student data as part of their daily work to increase student achievement;

(4) enhance teacher content knowledge and instructional skills;

(5) align with state and local academic standards;
provide opportunities to build professional relationships, support entry-level teachers through teacher induction programs that encourage principal participation, foster collaboration among principals and instruction staff who provide instruction, and provide opportunities for teacher-to-teacher mentoring; and

(7) align with the plan of the district or site for an alternative teacher professional pay system.

Staff development activities may include curriculum development and curriculum training programs, and activities that provide teachers and other members of site-based teams training to enhance team performance. The school district also may implement other staff development activities required by law and activities associated with professional teacher compensation models.

(b) Release time provided for teachers to supervise students on field trips and school activities, or independent tasks not associated with enhancing the teacher's knowledge and instructional skills, such as preparing report cards, calculating grades, or organizing classroom materials, may not be counted as staff development time that is financed with staff development reserved revenue under section 122A.61.

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

Sec. 6. Minnesota Statutes 2010, section 122A.60, subdivision 3, is amended to read:

Subd. 3. Staff development outcomes. The advisory staff development committee must adopt a staff development plan for improving student achievement. The plan must be consistent with education outcomes that the school board determines. The plan must include ongoing staff development activities that contribute toward continuous improvement in achievement of the following goals:

(1) improve student achievement of state and local education standards in all areas of the curriculum by using best practices methods;

(2) effectively meet the needs of a diverse student population, including at-risk children, children with disabilities, and gifted children, within the regular classroom and other settings;

(3) provide an inclusive curriculum for a racially, ethnically, and culturally diverse student population that is consistent with the state education diversity rule and the district's education diversity plan;

(4) improve staff collaboration and, develop mentoring and peer coaching programs for teachers new to the school or district, and use teacher induction programs to provide entry-level teachers with teaching and program management resources and opportunities to analyze and reflect upon teaching in order to improve both teacher effectiveness and retention;

(5) effectively teach and model violence prevention policy and curriculum that address early intervention alternatives, issues of harassment, and teach nonviolent alternatives for conflict resolution; and

(6) provide teachers and other members of site-based management teams with appropriate management and financial management skills.

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

Sec. 7. Minnesota Statutes 2011 Supplement, section 123B.147, subdivision 3, is amended to read:

Subd. 3. Duties; evaluation. (a) The principal shall provide administrative, supervisory, and instructional leadership services, under the supervision of the superintendent of schools of the district and according to the policies, rules, and regulations of the school board, for the planning, management, operation, and evaluation of the education program of the building or buildings to which the principal is assigned.
(b) To enhance a principal's leadership skills and support and improve teaching practices, school performance, and student achievement, a district must develop and implement a performance-based system for annually evaluating school principals assigned to supervise a school building within the district. The evaluation must be designed to improve teaching and learning by supporting the principal in shaping the school's professional environment and developing teacher quality, performance, and effectiveness. The annual evaluation must:

(1) support and improve a principal's instructional leadership, organizational management, and professional development, and strengthen the principal's capacity in the areas of instruction, supervision, evaluation, and teacher development;

(2) include formative and summative evaluations;

(3) be consistent with a principal's job description, a district's long-term plans and goals, and the principal's own professional multiyear growth plans and goals, all of which must support the principal's leadership behaviors and practices, rigorous curriculum, school performance, and high-quality instruction;

(4) include on-the-job observations and previous evaluations;

(5) allow surveys to help identify a principal's effectiveness, leadership skills and processes, and strengths and weaknesses in exercising leadership in pursuit of school success;

(6) use longitudinal data on student academic growth as an evaluation component and incorporate district achievement goals and targets;

(7) be linked to professional development that emphasizes improved teaching and learning, curriculum and instruction, student learning, and a collaborative professional culture; and

(8) for principals not meeting standards of professional practice or other criteria under this subdivision, implement a plan to improve the principal's performance and specify the procedure and consequence if the principal's performance is not improved.

The provisions of this paragraph are intended to provide districts with sufficient flexibility to accommodate district needs and goals related to developing, supporting, and evaluating principals.

(c) For principals and assistant principals to be eligible to receive alternative compensation revenue under section 122A.4152, the supplemental educational improvement plan approved by the commissioner must be consistent with this subdivision.

**EFFECTIVE DATE.** This section is effective September 1, 2012."

Delete the title and insert:

"A bill for an act relating to education; modifying certain alternative compensation and professional development provisions for teachers; making alternative compensation revenue available for principals and assistant principals; amending Minnesota Statutes 2010, sections 122A.413, subdivision 2; 122A.414, subdivisions 1a, 2; 122A.60, subdivisions 1a, 3; Minnesota Statutes 2011 Supplement, section 123B.147, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 122A."

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

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

H. F. No. 1719, A bill for an act relating to public safety; adding the term drug and modifying the term hazardous substance for driving while impaired crimes; amending Minnesota Statutes 2010, sections 169A.03, by adding a subdivision; 169A.20, subdivisions 1, 1a, 1b, 1c; repealing Minnesota Statutes 2010, section 169A.03, subdivision 9.

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

The report was adopted.

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

H. F. No. 1979, A bill for an act relating to human services; modifying group residential housing and Minnesota supplemental aid shelter needy provisions; modifying adult foster care homes; amending Minnesota Statutes 2010, sections 245A.11, subdivisions 2, 2a, 7, 7a, 8; 245B.07, subdivision 1; 245C.04, subdivision 6; 256B.092, subdivision 1b; 256D.44, subdivision 5; 256I.04, subdivision 2a; 326B.103, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 245B; 256B; repealing Minnesota Rules, part 9555.5105, subpart 37, item B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 2010, section 245A.03, is amended by adding a subdivision to read:

Subd. 6a. Adult foster care homes serving people with mental illness; certification. (a) The commissioner of human services shall develop an optional certification process for adult foster care homes licensed under this chapter and Minnesota Rules, parts 9555.5105 to 9555.6265, that serve people with mental illness where the home is not the primary residence of the license holder. If an adult foster care license holder becomes certified, the certification shall be included in the license information. The certification process shall be developed with input from advocates, mental health professionals, and adult foster care providers.

(b) As part of the certification process, the commissioner shall require that:

(1) staff working in the adult foster care home receive training on the following topics:

(i) mental health diagnoses;

(ii) mental health crisis response and de-escalation techniques;

(iii) recovery from mental illness;

(iv) treatment options including evidence-based practices;

(v) medications and their side effects;

(vi) co-occurring substance abuse and health conditions; and
(vii) other topics as determined by the commissioner; and

(2) a mental health professional, as defined in section 245.462, subdivision 18, provides oversight of the adult foster care home.

(c) The commissioner shall develop certification requirements by January 1, 2013.

Sec. 2. Minnesota Statutes 2010, section 245A.11, subdivision 2a, is amended to read:

Subd. 2a. Adult foster care license capacity. (a) The commissioner shall issue adult foster care licenses with a maximum licensed capacity of four beds, including nonstaff roomers and boarders, except that the commissioner may issue a license with a capacity of five beds, including roomers and boarders, according to paragraphs (b) to (f).

(b) An adult foster care license holder may have a maximum license capacity of five if all persons in care are age 55 or over and do not have a serious and persistent mental illness or a developmental disability.

(c) The commissioner may grant variances to paragraph (b) to allow a foster care provider with a licensed capacity of five persons to admit an individual under the age of 55 if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed foster care provider is located.

(d) The commissioner may grant variances to paragraph (b) to allow the use of a fifth bed for emergency crisis services for a person with serious and persistent mental illness or a developmental disability, regardless of age, if the variance complies with section 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed foster care provider is located.

(e) The commissioner may grant a variance to paragraph (b) to allow for the use of a fifth bed for respite services, as defined in section 245A.02, for persons with disabilities, regardless of age, if the variance complies with sections 245A.03, subdivision 7, and 245A.04, subdivision 9, and approval of the variance is recommended by the county in which the licensed foster care provider is licensed. Respite care may be provided under the following conditions:

(1) staffing ratios cannot be reduced below the approved level for the individuals being served in the home on a permanent basis;

(2) no more than two different individuals can be accepted for respite services in any calendar month and the total respite days may not exceed 120 days per program in any calendar year;

(3) the person receiving respite services must have his or her bedroom, which could be used for alternative purposes when not used as a respite bedroom, and cannot be the room of another person who lives in the foster care home; and

(4) individuals living in the foster care home must be notified when the variance is approved. The provider must give 60 days’ notice in writing to the residents and their legal representatives prior to accepting the first respite placement. Notice must be given to residents at least two days prior to service initiation, or as soon as the license holder is able if they receive notice of the need for respite less than two days prior to initiation, each time a respite client will be served, unless the requirement for this notice is waived by the resident or legal guardian.

(e) If the 2009 legislature adopts a rate reduction that impacts providers of adult foster care services, (f) the commissioner may issue an adult foster care license with a capacity of five adults if the fifth bed does not increase the overall statewide capacity of licensed adult foster care beds in homes that are not the primary residence of the
license holder, over the licensed capacity in such homes on July 1, 2009, as identified in a plan submitted to the
commissioner by the county, when the capacity is recommended by the county licensing agency of the county in
which the facility is located and if the recommendation verifies that:

(1) the facility meets the physical environment requirements in the adult foster care licensing rule;

(2) the five-bed living arrangement is specified for each resident in the resident's:

(i) individualized plan of care;

(ii) individual service plan under section 256B.092, subdivision 1b, if required; or

(iii) individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required;

(3) the license holder obtains written and signed informed consent from each resident or resident's legal
representative documenting the resident's informed choice to remain living in the home and that the resident's refusal
to consent would not have resulted in service termination; and

(4) the facility was licensed for adult foster care before March 1, 2009.

(f) The commissioner shall not issue a new adult foster care license under paragraph (e) after June 30,
2011. The commissioner shall allow a facility with an adult foster care license issued under paragraph (e)
before June 30, 2011, to continue with a capacity of five adults if the license holder continues to comply with
the requirements in paragraph (e).

Sec. 3. Minnesota Statutes 2010, section 245A.11, subdivision 7, is amended to read:

Subd. 7. Adult foster care; variance for alternate overnight supervision. (a) The commissioner may grant a
variance under section 245A.04, subdivision 9, to rule parts requiring a caregiver to be present in an adult foster care
home during normal sleeping hours to allow for alternative methods of overnight supervision. The commissioner
may grant the variance if the local county licensing agency recommends the variance and the county
recommendation includes documentation verifying that:

(1) the county has approved the license holder's plan for alternative methods of providing overnight supervision
and determined the plan protects the residents' health, safety, and rights;

(2) the license holder has obtained written and signed informed consent from each resident or each resident's
legal representative documenting the resident's or legal representative's agreement with the alternative method of
overnight supervision; and

(3) the alternative method of providing overnight supervision, which may include the use of technology, is
specified for each resident in the resident's: (i) individualized plan of care; (ii) individual service plan under section
256B.092, subdivision 1b, if required; or (iii) individual resident placement agreement under Minnesota Rules, part
9555.5105, subpart 19, if required.

(b) To be eligible for a variance under paragraph (a), the adult foster care license holder must not have had a
licensing action conditional license issued under section 245A.06, or any other licensing sanction issued under
section 245A.07 during the prior 24 months based on failure to provide adequate supervision, health care services,
or resident safety in the adult foster care home.
(c) A license holder requesting a variance under this subdivision to utilize technology as a component of a plan for alternative overnight supervision may request the commissioner's review in the absence of a county recommendation. Upon receipt of such a request from a license holder, the commissioner shall review the variance request with the county.

Sec. 4. Minnesota Statutes 2010, section 245A.11, subdivision 7a, is amended to read:

Subd. 7a. Alternate overnight supervision technology; adult foster care license. (a) The commissioner may grant an applicant or license holder an adult foster care license for a residence that does not have a caregiver in the residence during normal sleeping hours as required under Minnesota Rules, part 9555.5105, subpart 37, item B, but uses monitoring technology to alert the license holder when an incident occurs that may jeopardize the health, safety, or rights of a foster care recipient. The applicant or license holder must comply with all other requirements under Minnesota Rules, parts 9555.5105 to 9555.6265, and the requirements under this subdivision. The license printed by the commissioner must state in bold and large font:

(1) that the facility is under electronic monitoring; and

(2) the telephone number of the county's common entry point for making reports of suspected maltreatment of vulnerable adults under section 626.557, subdivision 9.

(b) Applications for a license under this section must be submitted directly to the Department of Human Services licensing division. The licensing division must immediately notify the host county and lead county contract agency and the host county licensing agency. The licensing division must collaborate with the county licensing agency in the review of the application and the licensing of the program.

(c) Before a license is issued by the commissioner, and for the duration of the license, the applicant or license holder must establish, maintain, and document the implementation of written policies and procedures addressing the requirements in paragraphs (d) through (f).

(d) The applicant or license holder must have policies and procedures that:

(1) establish characteristics of target populations that will be admitted into the home, and characteristics of populations that will not be accepted into the home;

(2) explain the discharge process when a foster care recipient requires overnight supervision or other services that cannot be provided by the license holder due to the limited hours that the license holder is on site;

(3) describe the types of events to which the program will respond with a physical presence when those events occur in the home during time when staff are not on site, and how the license holder's response plan meets the requirements in paragraph (e), clause (1) or (2);

(4) establish a process for documenting a review of the implementation and effectiveness of the response protocol for the response required under paragraph (e), clause (1) or (2). The documentation must include:

(i) a description of the triggering incident;

(ii) the date and time of the triggering incident;

(iii) the time of the response or responses under paragraph (e), clause (1) or (2);

(iv) whether the response met the resident's needs;
(v) whether the existing policies and response protocols were followed; and

(vi) whether the existing policies and protocols are adequate or need modification.

When no physical presence response is completed for a three-month period, the license holder's written policies and procedures must require a physical presence response drill to be conducted for which the effectiveness of the response protocol under paragraph (e), clause (1) or (2), will be reviewed and documented as required under this clause; and

(5) establish that emergency and nonemergency phone numbers are posted in a prominent location in a common area of the home where they can be easily observed by a person responding to an incident who is not otherwise affiliated with the home.

(e) The license holder must document and include in the license application which response alternative under clause (1) or (2) is in place for responding to situations that present a serious risk to the health, safety, or rights of people receiving foster care services in the home:

(1) response alternative (1) requires only the technology to provide an electronic notification or alert to the license holder that an event is underway that requires a response. Under this alternative, no more than ten minutes will pass before the license holder will be physically present on site to respond to the situation; or

(2) response alternative (2) requires the electronic notification and alert system under alternative (1), but more than ten minutes may pass before the license holder is present on site to respond to the situation. Under alternative (2), all of the following conditions are met:

(i) the license holder has a written description of the interactive technological applications that will assist the license holder in communicating with and assessing the needs related to the care, health, and safety of the foster care recipients. This interactive technology must permit the license holder to remotely assess the well being of the foster care recipient without requiring the initiation of the foster care recipient. Requiring the foster care recipient to initiate a telephone call does not meet this requirement;

(ii) the license holder documents how the remote license holder is qualified and capable of meeting the needs of the foster care recipients and assessing foster care recipients' needs under item (i) during the absence of the license holder on site;

(iii) the license holder maintains written procedures to dispatch emergency response personnel to the site in the event of an identified emergency; and

(iv) each foster care recipient's individualized plan of care, individual service plan under section 256B.092, subdivision 1b, if required, or individual resident placement agreement under Minnesota Rules, part 9555.5105, subpart 19, if required, identifies the maximum response time, which may be greater than ten minutes, for the license holder to be on site for that foster care recipient.

(f) Each foster care recipient's placement agreement, agreement, individual service agreements, and plans applicable to the foster care recipient agreement, and plan must clearly state that the adult foster care license category is a program without the presence of a caregiver in the residence during normal sleeping hours; the protocols in place for responding to situations that present a serious risk to the health, safety, or rights of foster care recipients under paragraph (e), clause (1) or (2); and a signed informed consent from each foster care recipient or the person's legal representative documenting the person's or legal representative's agreement with placement in the program. If electronic monitoring technology is used in the home, the informed consent form must also explain the following:
(1) how any electronic monitoring is incorporated into the alternative supervision system;

(2) the backup system for any electronic monitoring in times of electrical outages or other equipment malfunctions;

(3) how the license holder is caregivers are trained on the use of the technology;

(4) the event types and license holder response times established under paragraph (e);

(5) how the license holder protects the foster care recipient's privacy related to electronic monitoring and related to any electronically recorded data generated by the monitoring system. A foster care recipient may not be removed from a program under this subdivision for failure to consent to electronic monitoring. The consent form must explain where and how the electronically recorded data is stored, with whom it will be shared, and how long it is retained; and

(6) the risks and benefits of the alternative overnight supervision system.

The written explanations under clauses (1) to (6) may be accomplished through cross-references to other policies and procedures as long as they are explained to the person giving consent, and the person giving consent is offered a copy.

(g) Nothing in this section requires the applicant or license holder to develop or maintain separate or duplicative policies, procedures, documentation, consent forms, or individual plans that may be required for other licensing standards, if the requirements of this section are incorporated into those documents.

(h) The commissioner may grant variances to the requirements of this section according to section 245A.04, subdivision 9.

(i) For the purposes of paragraphs (d) through (h), "license holder" has the meaning under section 245A.2, subdivision 9, and additionally includes all staff, volunteers, and contractors affiliated with the license holder.

(j) For the purposes of paragraph (e), the terms "assess" and "assessing" mean to remotely determine what action the license holder needs to take to protect the well-being of the foster care recipient.

(k) The commissioner shall evaluate license applications using the requirements in paragraphs (d) to (f). The commissioner shall provide detailed application forms, including a checklist of criteria needed for approval.

(l) To be eligible for a license under paragraph (a), the adult foster care license holder must not have had a conditional license issued under section 245A.06 or any licensing sanction under section 245A.07 during the prior 24 months based on failure to provide adequate supervision, health care services, or resident safety in the adult foster care home.

(m) The commissioner shall review an application for an alternative overnight supervision license within 60 days of receipt of the application. When the commissioner receives an application that is incomplete because the applicant failed to submit required documents or that is substantially deficient because the documents submitted do not meet licensing requirements, the commissioner shall provide the applicant written notice that the application is incomplete or substantially deficient. In the written notice to the applicant, the commissioner shall identify documents that are missing or deficient and give the applicant 45 days to resubmit a second application that is substantially complete. An applicant's failure to submit a substantially complete application after receiving notice from the commissioner is a basis for license denial under section 245A.05. The commissioner shall complete subsequent review within 30 days.
(n) Once the application is considered complete under paragraph (m), the commissioner will approve or deny an application for an alternative overnight supervision license within 60 days.

(o) For the purposes of this subdivision, "supervision" means:

1. oversight by a caregiver as specified in the individual resident's place agreement and awareness of the resident's needs and activities; and

2. the presence of a caregiver in a residence during normal sleeping hours, unless a determination has been made and documented in the individual's support plan that the individual does not require the presence of a caregiver during normal sleeping hours.

Sec. 5. Minnesota Statutes 2010, section 245B.06, subdivision 2, is amended to read:

Subd. 2. Risk management plan. (a) The license holder must develop, document in writing, and implement a risk management plan that meets the requirements of this subdivision. License holders licensed under this chapter are exempt from sections 245A.65, subdivision 2, and 626.557, subdivision 14, if the requirements of this subdivision are met.

(b) The risk management plan must identify areas in which the consumer is vulnerable, based on an assessment, at a minimum, of the following areas:

1. an adult consumer's susceptibility to physical, emotional, and sexual abuse as defined in section 626.5572, subdivision 2, and financial exploitation as defined in section 626.5572, subdivision 9; a minor consumer's susceptibility to sexual and physical abuse as defined in section 626.556, subdivision 2; and a consumer's susceptibility to self-abuse, regardless of age;

2. the consumer's ability to manage mental and physical health needs, considering the consumer's:

   (i) mental health diagnosis and disabilities or sensory impairments and the ability to seek and use assistance, assistive technology, adaptive aids, or equipment;

   (ii) recognize and avoid allergens and manage allergic reactions;

   (iii) manage seizures;

   (iv) meet diet and nutritional needs, including eating without assistance and swallowing without choking;

   (v) self-administer and manage medications or treatment orders; and ability to

   (vi) obtain routine medical treatment; and

   (vii) recognize, respond appropriately to, and report changes in physical and mental well-being;

3. the consumer's safety needs skills in environments where the license holder serves the consumer, considering the consumer's ability to:

   (i) take reasonable safety precautions to prevent falls, burns, or avoid hazards;

   (ii) identify and use community survival skills to prevent becoming lost or seeking help when lost;
(iii) follow street safety rules;

(iv) use public transportation;

(v) drive or ride in a vehicle;

(vi) identify and follow water survival skills sufficient to avoid drowning or near drowning; ability to

(vii) seek assistance with or provide medical care self-administer basic first aid; and access to

(viii) recognize and handle or avoid toxic substances or dangerous items;

(4) environmental issues the consumer's ability to recognize and respond appropriately to unsafe or hazardous situations or conditions in the physical and social environment, considering the program’s location in a particular consumer's ability to:

(i) access and participate in the neighborhood or community resources where the program is located; the type of

(ii) maneuver around areas in the building where services are provided or on the grounds and terrain surrounding the building; and the consumer's ability to

(iii) respond to weather-related conditions, including dressing appropriately for the weather or seeking shelter;

(iv) open locked doors, to safely evacuate a room or building in an emergency; and

(v) remain alone in any environment; and

(5) the consumer's behavior, including when the license holder knows that the consumer has committed a violent crime or the consumer engages in behaviors that may increase the likelihood of physical aggression between consumers or sexual activity between consumers involving force or coercion, as defined under section 245B.02, subdivision 10, clauses (6) and (7), between consumers, or towards others. Under this clause, a license holder knows of a consumer's history of criminal misconduct or physical aggression if it receives such information from a law enforcement authority, through a medical record prepared by a health care provider, or the license holder's ongoing assessments of the consumer.

(c) When assessing a consumer's vulnerability, the license holder must consider only the consumer's skills and abilities, independent of staffing patterns, supervision plans, the environment, or other situational elements. License holders jointly providing services to a consumer shall coordinate and use the resulting assessment of risk areas for the development of each license holder's risk management or the shared risk management plan.

(d) License holders jointly providing services to a consumer shall coordinate and use the resulting assessment of risk areas for the development of each license holder's risk management or the shared risk management plan. The license holder’s license holder must develop a plan that identifies the specific actions a staff person will take and measures that will be taken to protect the consumer and minimize risks for the identified vulnerability areas within the scope of the licensed services. The plan must identify referrals made when the consumer is vulnerable to risks outside the scope or control of the licensed services.

(e) The specific actions must include the proactive measures being taken to reduce or minimize the risk, training being provided to the consumer to develop skills or abilities to avoid or respond to the risk as independently as possible, or a detailed description of actions a staff person will take when intervention is needed.
(f) The specific actions must be developed according to the requirements of subdivision 1, paragraph (a). When the assessment indicates that the consumer is vulnerable but does not need specific risk reduction measures, the risk management plan shall document this determination and why, at a minimum, proactive measures or consumer training are not needed.

(g) Prior to or upon initiating services, a license holder must develop an initial risk management plan that is, at a minimum, verbally approved by the consumer or consumer's legal representative and case manager. The license holder must document the date the license holder receives the consumer's or consumer's legal representative's and case manager's verbal approval of the initial plan.

(h) Within 45 days of initiating service, as required under section 245B.06, subdivision 4, the license holder must review the initial risk management plan for accuracy and revise the plan if necessary. The license holder must give the consumer or consumer's legal representative and case manager an opportunity to participate in this plan review. If the license holder revises the plan, or if the consumer or consumer's legal representative and case manager have not previously signed and dated the plan, the license holder must obtain dated signatures to document the plan's approval.

(i) After plan approval, the license holder must review the plan at least annually and update the plan based on the individual consumer's needs and changes to the environment. The license holder must give the consumer or consumer's legal representative and case manager an opportunity to participate in the ongoing plan development. The license holder shall obtain dated signatures from the consumer or consumer's legal representative and case manager to document completion of the annual review and approval of plan changes.

Sec. 6. Minnesota Statutes 2010, section 245B.07, subdivision 1, is amended to read:

Subdivision 1. **Consumer data file.** The license holder must maintain the following information for each consumer:

1. identifying information that includes date of birth, medications, legal representative, history, medical, and other individual-specific information, and names and telephone numbers of contacts;

2. consumer health information, including individual medication administration and monitoring information;

3. the consumer's individual service plan. When a consumer's case manager does not provide a current individual service plan, the license holder shall make a written request to the case manager to provide a copy of the individual service plan and inform the consumer or the consumer's legal representative of the right to an individual service plan and the right to appeal under section 256.045. In the event the case manager fails to provide an individual service plan after a written request from the license holder, the license holder shall not be sanctioned or penalized financially for not having a current individual service plan in the consumer's data file;

4. copies of assessments, analyses, summaries, and recommendations;

5. progress review reports;

6. incidents involving the consumer;

7. reports required under section 245B.05, subdivision 7;

8. discharge summary, when applicable;
(9) record of other license holders serving the consumer that includes a contact person and telephone numbers, services being provided, services that require coordination between two license holders, and name of staff responsible for coordination;

(10) information about verbal aggression directed at the consumer by another consumer; and

(11) information about self-abuse.

Sec. 7. Minnesota Statutes 2010, section 245C.04, subdivision 6, is amended to read:

Subd. 6. **Unlicensed home and community-based waiver providers of service to seniors and individuals with disabilities.** (a) Providers required to initiate background studies under section 256B.4912 must initiate a study before the individual begins in a position allowing direct contact with persons served by the provider.

(b) **The commissioner shall conduct** Except as provided in paragraph (c), the providers must initiate a background study annually of an individual required to be studied under section 245C.03, subdivision 6.

(c) After an initial background study under this subdivision is initiated on an individual by a provider of both services licensed by the commissioner and the unlicensed services under this subdivision, a repeat annual background study is not required if:

(1) the provider maintains compliance with the requirements of section 245C.07, paragraph (a), regarding one individual with one address and telephone number as the person to receive sensitive background study information for the multiple programs that depend on the same background study, and that the individual who is designated to receive the sensitive background information is capable of determining, upon the request of the commissioner, whether a background study subject is providing direct contact services in one or more of the provider's programs or services and, if so, at which location or locations; and

(2) the individual who is the subject of the background study provides direct contact services under the provider's licensed program for at least 40 hours per year so the individual will be recognized by a probation officer or corrections agent to prompt a report to the commissioner regarding criminal convictions as required under section 245C.05, subdivision 7.

Sec. 8. Minnesota Statutes 2010, section 245C.05, subdivision 7, is amended to read:

Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or corrections agent shall notify the commissioner of an individual's conviction if the individual is:

(1) has been affiliated with a program or facility regulated by the Department of Human Services or Department of Health, a facility serving children or youth licensed by the Department of Corrections, or any type of home care agency or provider of personal care assistance services within the preceding year; and

(2) has been convicted of a crime constituting a disqualification under section 245C.14.

(b) For the purpose of this subdivision, "conviction" has the meaning given it in section 609.02, subdivision 5.

(c) The commissioner, in consultation with the commissioner of corrections, shall develop forms and information necessary to implement this subdivision and shall provide the forms and information to the commissioner of corrections for distribution to local probation officers and corrections agents.
(d) The commissioner shall inform individuals subject to a background study that criminal convictions for disqualifying crimes will be reported to the commissioner by the corrections system.

(e) A probation officer, corrections agent, or corrections agency is not civilly or criminally liable for disclosing or failing to disclose the information required by this subdivision.

(f) Upon receipt of disqualifying information, the commissioner shall provide the notice required under section 245C.17, as appropriate, to agencies on record as having initiated a background study or making a request for documentation of the background study status of the individual.

(g) This subdivision does not apply to family child care programs.

Sec. 9. Minnesota Statutes 2010, section 256B.092, subdivision 1b, is amended to read:

Subd. 1b. Individual service plan. (a) The individual service plan must:

(1) include the results of the assessment information on the person's need for service, including identification of service needs that will be or that are met by the person's relatives, friends, and others, as well as community services used by the general public;

(2) identify the person's preferences for services as stated by the person, the person's legal guardian or conservator, or the parent if the person is a minor;

(3) identify long- and short-range goals for the person;

(4) identify specific services and the amount and frequency of the services to be provided to the person based on assessed needs, preferences, and available resources. The individual service plan shall also specify other services the person needs that are not available;

(5) identify the need for an individual program plan to be developed by the provider according to the respective state and federal licensing and certification standards, and additional assessments to be completed or arranged by the provider after service initiation;

(6) identify provider responsibilities to implement and make recommendations for modification to the individual service plan;

(7) include notice of the right to request a conciliation conference or a hearing under section 256.045;

(8) be agreed upon and signed by the person, the person's legal guardian or conservator, or the parent if the person is a minor, and the authorized county representative; and

(9) be reviewed by a health professional if the person has overriding medical needs that impact the delivery of services.

(b) Service planning formats developed for interagency planning such as transition, vocational, and individual family service plans may be substituted for service planning formats developed by county agencies.

(c) Approved, written, and signed changes to a consumer's services that meet the criteria in this subdivision shall be an addendum to that consumer's individual service plan.
Subd. 3. **State Quality Council.** (a) There is hereby created a State Quality Council which must define regional quality councils, and carry out a community-based, person-directed quality review component, and a comprehensive system for effective incident reporting, investigation, analysis, and follow-up.

(b) By August 1, 2011, the commissioner of human services shall appoint the members of the initial State Quality Council. Members shall include representatives from the following groups:

1. disability service recipients and their family members;
2. during the first two years of the State Quality Council, there must be at least three members from the Region 10 stakeholders. As regional quality councils are formed under subdivision 4, each regional quality council shall appoint one member;
3. disability service providers;
4. disability advocacy groups; and
5. county human services agencies and staff from the Department of Human Services and Ombudsman for Mental Health and Developmental Disabilities.

(c) Members of the council who do not receive a salary or wages from an employer for time spent on council duties may receive a per diem payment when performing council duties and functions.

(d) The State Quality Council shall:

1. assist the Department of Human Services in fulfilling federally mandated obligations by monitoring disability service quality and quality assurance and improvement practices in Minnesota; and
2. establish state quality improvement priorities with methods for achieving results and provide an annual report to the legislative committees with jurisdiction over policy and funding of disability services on the outcomes, improvement priorities, and activities undertaken by the commission during the previous state fiscal year;
3. identify issues pertaining to financial and personal risk that impede Minnesotans with disabilities from optimizing choice of community-based services; and
4. recommend to the chairs of the legislative committees with jurisdiction over human services and civil law by January 15, 2013, statutory and rule changes related to the findings under clause (3) that promote individualized service and housing choices balanced with appropriate individualized protection.

(e) The State Quality Council, in partnership with the commissioner, shall:

1. approve and direct implementation of the community-based, person-directed system established in this section;
2. recommend an appropriate method of funding this system, and determine the feasibility of the use of Medicaid, licensing fees, as well as other possible funding options;
3. approve measurable outcomes in the areas of health and safety, consumer evaluation, education and training, providers, and systems;
(4) establish variable licensure periods not to exceed three years based on outcomes achieved; and

(5) in cooperation with the Quality Assurance Commission, design a transition plan for licensed providers from Region 10 into the alternative licensing system by July 1, 2013.

(f) The State Quality Council shall notify the commissioner of human services that a facility, program, or service has been reviewed by quality assurance team members under subdivision 4, paragraph (b), clause (13), and qualifies for a license.

(g) The State Quality Council, in partnership with the commissioner, shall establish an ongoing review process for the system. The review shall take into account the comprehensive nature of the system which is designed to evaluate the broad spectrum of licensed and unlicensed entities that provide services to persons with disabilities. The review shall address efficiencies and effectiveness of the system.

(h) The State Quality Council may recommend to the commissioner certain variances from the standards governing licensure of programs for persons with disabilities in order to improve the quality of services so long as the recommended variances do not adversely affect the health or safety of persons being served or compromise the qualifications of staff to provide services.

(i) The safety standards, rights, or procedural protections referenced under subdivision 2, paragraph (c), shall not be varied. The State Quality Council may make recommendations to the commissioner or to the legislature in the report required under paragraph (c) regarding alternatives or modifications to the safety standards, rights, or procedural protections referenced under subdivision 2, paragraph (c).

(j) The State Quality Council may hire staff to perform the duties assigned in this subdivision.

Sec. 11. Minnesota Statutes 2011 Supplement, section 256B.49, subdivision 23, is amended to read:

Subd. 23. Community-living settings. "Community-living settings" means a single-family home or apartment where the service recipient or their family owns or rents, as demonstrated by a lease agreement, and maintains control over the individual unit, as demonstrated by the lease agreement, or has a plan for transition of a lease from a service provider to the individual. Within two years of signing the initial lease, the service provider shall transfer the lease to the individual. In the event the landlord denies the transfer, the commissioner may approve an exception within sufficient time to ensure the continued occupancy by the individual. Community-living settings are subject to the following:

(1) individuals are not required to receive services;

(2) individuals are not required to have a disability or specific diagnosis to live in the community-living setting;

(3) individuals may hire service providers of their choice;

(4) individuals may choose whether to share their household and with whom;

(5) the home or apartment must include living, sleeping, bathing, and cooking areas;

(6) individuals must have lockable access and egress;

(7) individuals must be free to receive visitors and leave the settings at times and for durations of their own choosing;
(8) leases must not reserve the right to assign units or change unit assignments; and

(9) access to the greater community must be easily facilitated based on the individual’s needs and preferences.

Sec. 12. [256B.492] ADULT FOSTER CARE VOLUNTARY CLOSURE.

Subdivision 1. **Commissioner's duties; report.** The commissioner of human services shall ask providers of adult foster care services to present proposals for the conversion of services provided for persons with developmental disabilities in settings licensed under Minnesota Rules, parts 9555.5105 to 9555.6265, to services to other community settings in conjunction with the cessation of operations and closure of identified facilities.

Subd. 2. **Inventory of foster care capacity.** The commissioner of human services shall submit to the legislature by February 15, 2013, a report that includes:

1. an inventory of the assessed needs of all individuals with disabilities receiving foster care services under section 256B.092;

2. an inventory of total licensed foster care capacity for adults and children available in Minnesota as of January 1, 2013; and

3. a comparison of the needs of individuals receiving services in foster care settings and nonfoster care settings.

The report will also contain recommendations on developing a profile of individuals requiring foster care services and the projected level of foster care capacity needed to serve that population.

Subd. 3. **Applications for planned closure of adult foster care facilities.** (a) If the report required in subdivision 2 determines the existing supply of foster care capacity is higher than needed to meet the needs of individuals requiring that level of care, the commissioner shall, within the limits of available appropriations, announce and implement a program for closure of adult foster care homes. Names and identifying information provided in response to the announcement shall remain private unless approved, according to the timelines established in the plan.

(b) To be considered for approval, an application must include:

1. a description of the proposed closure plan, which must include identification of the home or homes to receive a planned closure rate adjustment;

2. the proposed timetable for any proposed closure, including the proposed dates for announcement to residents, commencement of closure, and completion of closure;

3. the proposed relocation plan jointly developed by the county of financial responsibility and the provider for current residents of any facility designated for closure; and

4. documentation in a format approved by the commissioner that all the adult foster care homes receiving a planned closure rate adjustment under the plan have accepted joint and several liability for recovery of overpayments under section 256B.0641, subdivision 2, for the facilities designated for closure under the plan.

Subd. 4. **Criteria for review of application.** (a) In reviewing and approving closure proposals that the commissioner shall consider, the commissioner shall give first priority to proposals that:

1. result in the closing of a facility;
(2) demonstrate savings of medical assistance expenditures; and

(3) demonstrate that alternative placements will be developed based on individual resident needs and applicable federal and state rules.

(b) The commissioner shall select proposals that best meet the criteria established in this subdivision within the appropriations made available for planned closure of adult foster care facilities. The commissioner shall notify providers of the selections made and approved by the commissioner.

(c) For each proposal approved by the commissioner, a contract must be established between the commissioner, the county of financial responsibility, and the participating provider.

Subd. 5. Adjustment to rates. (a) For purposes of this section, the commissioner shall establish an enhanced payment rate under section 256B.0913 to facilitate an orderly transition for persons with developmental disabilities from adult foster care to other community-based settings.

(b) The maximum length the commissioner may establish an enhanced rate is six months.

(c) The commissioner shall analyze the fiscal impact of the closure of each facility on medical assistance expenditures. Any savings is allocated to the medical assistance program.

Sec. 13. Minnesota Statutes 2010, section 256D.44, subdivision 5, is amended to read:

Subd. 5. Special needs. In addition to the state standards of assistance established in subdivisions 1 to 4, payments are allowed for the following special needs of recipients of Minnesota supplemental aid who are not residents of a nursing home, a regional treatment center, or a group residential housing facility.

(a) The county agency shall pay a monthly allowance for medically prescribed diets if the cost of those additional dietary needs cannot be met through some other maintenance benefit. The need for special diets or dietary items must be prescribed by a licensed physician. Costs for special diets shall be determined as percentages of the allotment for a one-person household under the thrifty food plan as defined by the United States Department of Agriculture. The types of diets and the percentages of the thrifty food plan that are covered are as follows:

(1) high protein diet, at least 80 grams daily, 25 percent of thrifty food plan;

(2) controlled protein diet, 40 to 60 grams and requires special products, 100 percent of thrifty food plan;

(3) controlled protein diet, less than 40 grams and requires special products, 125 percent of thrifty food plan;

(4) low cholesterol diet, 25 percent of thrifty food plan;

(5) high residue diet, 20 percent of thrifty food plan;

(6) pregnancy and lactation diet, 35 percent of thrifty food plan;

(7) gluten-free diet, 25 percent of thrifty food plan;

(8) lactose-free diet, 25 percent of thrifty food plan;

(9) antidumping diet, 15 percent of thrifty food plan;
(10) hypoglycemic diet, 15 percent of thrifty food plan; or

(11) ketogenic diet, 25 percent of thrifty food plan.

(b) Payment for nonrecurring special needs must be allowed for necessary home repairs or necessary repairs or replacement of household furniture and appliances using the payment standard of the AFDC program in effect on July 16, 1996, for these expenses, as long as other funding sources are not available.

(c) A fee for guardian or conservator service is allowed at a reasonable rate negotiated by the county or approved by the court. This rate shall not exceed five percent of the assistance unit’s gross monthly income up to a maximum of $100 per month. If the guardian or conservator is a member of the county agency staff, no fee is allowed.

(d) The county agency shall continue to pay a monthly allowance of $68 for restaurant meals for a person who was receiving a restaurant meal allowance on June 1, 1990, and who eats two or more meals in a restaurant daily. The allowance must continue until the person has not received Minnesota supplemental aid for one full calendar month or until the person’s living arrangement changes and the person no longer meets the criteria for the restaurant meal allowance, whichever occurs first.

(e) A fee of ten percent of the recipient’s gross income or $25, whichever is less, is allowed for representative payee services provided by an agency that meets the requirements under SSI regulations to charge a fee for representative payee services. This special need is available to all recipients of Minnesota supplemental aid regardless of their living arrangement.

(f)(1) Notwithstanding the language in this subdivision, an amount equal to the maximum allotment authorized by the federal Food Stamp Program for a single individual which is in effect on the first day of July of each year will be added to the standards of assistance established in subdivisions 1 to 4 for adults under the age of 65 who qualify as shelter needy and are: (i) relocating from an institution, or an adult mental health residential treatment program under section 256B.0622; (ii) eligible for the self-directed supports option as defined under section 256B.0657, subdivision 2; or (iii) home and community-based waiver recipients living in their own home or rented or leased apartment which is not owned, operated, or controlled by a provider of service not related by blood or marriage, unless allowed under paragraph (g).

(2) Notwithstanding subdivision 3, paragraph (c), an individual eligible for the shelter needy benefit under this paragraph is considered a household of one. An eligible individual who receives this benefit prior to age 65 may continue to receive the benefit after the age of 65.

(3) "Shelter needy" means that the assistance unit incurs monthly shelter costs that exceed 40 percent of the assistance unit’s gross income before the application of this special needs standard. "Gross income" for the purposes of this section is the applicant’s or recipient’s income as defined in section 256D.35, subdivision 10, or the standard specified in subdivision 3, paragraph (a) or (b), whichever is greater. A recipient of a federal or state housing subsidy, that limits shelter costs to a percentage of gross income, shall not be considered shelter needy for purposes of this paragraph.

(g) Notwithstanding this subdivision, to access housing and services as provided in paragraph (f), the recipient may choose housing that may be owned, operated, or controlled by the recipient's service provider. In a multifamily building of four or more units, the maximum number of apartments that may be used by recipients of this program shall be 50 percent of the units in a building. This paragraph expires on June 30, 2012. the service provider shall implement a plan with the recipient to transition the lease to the recipient's name. Within two years of signing the initial lease, the service provider shall transfer the lease entered into under this subdivision to the recipient. In the event the landlord denies this transfer, the commissioner may approve an exception within sufficient time to ensure the continued occupancy by the recipient.
Sec. 14. **INNOVATION TASK FORCE.**

(a) The commissioner of human services shall appoint members to the Innovation Task Force to review and make recommendations on provider or lead agency initiated pilot projects in home and community-based services for people with disabilities that otherwise would be limited by state-imposed regulatory or funding restrictions.

(b) The task force membership shall include: two providers of disability services; one person receiving disability services or a family member; one advocate for people with disabilities; one representative from the Disability Law Center; one county representative; one representative from the National Alliance on Mental Illness-Minnesota; and three representatives from the Department of Human Services, one from the mental health division, one from the disability services division, and one from the licensing division. Members of the task force shall serve three-year terms and shall not be reimbursed for task force work or meetings.

(c) On January 1 and July 1 of each year, the commissioner shall issue a request for proposals in the State Register for service providers or lead agencies to develop and implement new models for residential services that support people with disabilities. The task force shall review and recommend to the commissioner projects for implementation twice per year.

(d) Each proposed pilot project must:

1. spend no more in state and federal funding than is spent in total funding for the affected service recipients;
2. be two years in duration;
3. have the informed consent of all affected recipients or their guardians;
4. be based on recipients' individual needs and designed for specific quality outcomes; and
5. be evaluated by the task force after two years with recommendations to the commissioner to either discontinue the pilot project or continue the pilot project with no time limitation.

(e) The commissioner shall review the task force's recommendations for start-up or continuation of pilot projects and may approve new and continued pilot projects twice per year.

(f) If a pilot project is discontinued, the affected recipients may return to services provided prior to the pilot project and shall have funding for services restored to prepilot project levels.

(g) Providers or lead agencies whose pilot projects are not continued shall not be penalized due to a pilot project's performance but remain accountable to state and federal Medicaid, vulnerable adult, and maltreatment of minors laws.

Sec. 15. **HOME AND COMMUNITY-BASED SETTINGS FOR PEOPLE WITH DISABILITIES.**

(a) Individuals receiving services under a home and community-based waiver may receive services in the following settings:

1. an individual's own home or family home;
2. a licensed adult foster care setting of up to five people; and
(3) community living settings as defined in Minnesota Statutes, section 256B.49, subdivision 23, regardless of the number of people living in the setting receiving services under the home and community-based waiver.

(b) The settings in paragraph (a) must not:

(1) be located in a building that is a publicly or privately operated facility that provides institutional treatment or custodial care;

(2) be located in a building on the grounds of or adjacent to a public institution;

(3) be a housing complex designed expressly around an individual's diagnosis or disability unless state or federal funding for housing requires it;

(4) be segregated based on a disability, either physically or because of setting characteristics, from the larger community; and

(5) have the qualities of an institution, unless specifically required in the individual's plan developed with the lead agency case manager and legal guardian. The qualities of an institution include, but are not limited to:

(i) regimented meal and sleep times;

(ii) limitations on visitors; and

(iii) lack of privacy.

The commissioner shall submit an amendment to the waiver plan no later than December 31, 2012.

Sec. 16. INDEPENDENT LIVING SERVICES BILLING.

The commissioner shall allow for daily rate and 15-minute increment billing for independent living services under the brain injury (BI) and CADI waivers. If necessary to comply with this requirement, the commissioner shall submit a waiver amendment to the state plan no later than December 31, 2012."

Delete the title and insert:

"A bill for an act relating to human services; Minnesota supplemental aid shelter needy provisions; modifying adult foster care homes; amending Minnesota Statutes 2010, sections 245A.03, by adding a subdivision; 245A.11, subdivisions 2a, 7, 7a; 245B.06, subdivision 2; 245B.07, subdivision 1; 245C.04, subdivision 6; 245C.05, subdivision 7; 256B.092, subdivision 1b; 256D.44, subdivision 5; Minnesota Statutes 2011 Supplement, sections 256B.097, subdivision 3; 256B.49, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 256B."

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

The report was adopted.
Gottwalt from the Committee on Health and Human Services Reform to which was referred:

H. F. No. 1985, A bill for an act relating to human services; modifying requirements for background studies; amending Minnesota Statutes 2010, section 245C.04, subdivision 1.

Reported the same back with the following amendments:

Page 3, after line 30, insert:

"Sec. 2. Minnesota Statutes 2010, section 245C.05, subdivision 7, is amended to read:

Subd. 7. **Probation officer and corrections agent.** (a) A probation officer or corrections agent shall notify the commissioner of an individual's conviction if the individual is:

(1) has been affiliated with a program or facility regulated by the Department of Human Services or Department of Health, a facility serving children or youth licensed by the Department of Corrections, or any type of home care agency or provider of personal care assistance services within the preceding year; and

(2) has been convicted of a crime constituting a disqualification under section 245C.14.

(b) For the purpose of this subdivision, "conviction" has the meaning given it in section 609.02, subdivision 5.

(c) The commissioner, in consultation with the commissioner of corrections, shall develop forms and information necessary to implement this subdivision and shall provide the forms and information to the commissioner of corrections for distribution to local probation officers and corrections agents.

(d) The commissioner shall inform individuals subject to a background study that criminal convictions for disqualifying crimes will be reported to the commissioner by the corrections system.

(e) A probation officer, corrections agent, or corrections agency is not civilly or criminally liable for disclosing or failing to disclose the information required by this subdivision.

(f) Upon receipt of disqualifying information, the commissioner shall provide the notice required under section 245C.17, as appropriate, to agencies on record as having initiated a background study or making a request for documentation of the background study status of the individual.

(g) This subdivision does not apply to family child care programs."

Amend the title as follows:

Page 1, line 2, after the second semicolon, insert "modifying notification requirements;"

Correct the title numbers accordingly

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

The report was adopted.
Lanning from the Committee on State Government Finance to which was referred:

H. F. No. 2003, A bill for an act relating to state government; allowing operations on an ongoing basis for the Racing Commission and State Lottery; amending Minnesota Statutes 2010, sections 240.155, subdivision 1; 240.30, subdivision 9; 349A.10, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 240.15, subdivision 6, is amended to read:

Subd. 6. Disposition of proceeds; account. The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, according to this subdivision. All money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by full racing card simulcasts must be distributed as provided in section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. Taxes received under this section and fines collected under section 240.22 must be paid to the commissioner of management and budget for deposit in the general fund. All revenues from licenses and other fees imposed by the commission must be deposited in the state treasury and credited to a racing and card playing regulation account in the special revenue fund. Receipts in this account are available for the operations of the commission up to the amount authorized in biennial appropriations from the legislature. If a fiscal biennium ends without the enactment of an appropriation to the commission for the following biennium, receipts in this account are annually appropriated to the commission for the operations of the commission up to the amount authorized in the second year of the most recently enacted biennial appropriation, until a biennial appropriation is enacted.

Sec. 2. Minnesota Statutes 2010, section 240.155, subdivision 1, is amended to read:

Subdivision 1. Reimbursement account credit. Money received by the commission as reimbursement for the costs of services provided by veterinarians, stewards, and medical testing of horses, and fees received by the commission in the form of fees for regulatory services must be deposited in the state treasury and credited to a racing reimbursement account in the special revenue fund, except as provided under subdivision 2. Receipts are appropriated to the commission to pay the costs of providing the services and all other costs necessary to allow the commission to fulfill its regulatory oversight duties required by this chapter and commission rule. If the major appropriation bills needed to finance state government are not enacted by the beginning of a fiscal biennium, the commission shall continue operations as required by this chapter and commission rule.

Sec. 3. Minnesota Statutes 2010, section 240.30, subdivision 9, is amended to read:

Subd. 9. Reimbursement to commission. The commission shall require that the licensee reimburse it for the commission's actual costs, including personnel costs, of regulating the card club. Amounts received under this subdivision must be deposited as provided in section 240.155, subdivision 1, and are appropriated to the commission.

Sec. 4. Minnesota Statutes 2010, section 349.151, subdivision 4, is amended to read:

Subd. 4. Powers and duties. (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;
(2) to issue licenses to organizations and gambling managers, and to issue licenses and renewals to distributors, distributor salespersons, manufacturers, and linked bingo game providers;

(3) to collect and deposit fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and linked bingo game providers to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to report annually to the governor and legislature a financial summary for each licensed organization identifying the gross receipts, prizes paid, allowable expenses, lawful purpose expenditures including charitable contributions and all taxes and fees as per section 349.12, subdivision 25, paragraph (a), clauses (8) and (18), and the percentage of annual gross profit used for lawful purposes;

(10) to impose civil penalties of not more than $1,000 per violation on organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers for violating or failing to comply with any provision of this chapter, chapter 297E, or any rule or order of the board;

(11) to issue premises permits to organizations licensed to conduct lawful gambling;

(12) to delegate to the director the authority to issue or deny license and premises permit applications and renewals under criteria established by the board;

(13) to delegate to the director the authority to approve or deny fund loss requests, contribution of gambling funds to another licensed organization, and property expenditure requests under criteria established by the board;

(14) to suspend or revoke licenses and premises permits of organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, or gambling managers as provided in this chapter;

(15) to approve or deny requests from licensees for:

(i) waivers from fee requirements as provided in section 349.16, subdivision 6; and

(ii) variances from Gambling Control Board rules under section 14.055; and

(16) to register employees of organizations licensed to conduct lawful gambling;

(17) to require fingerprints from persons determined by board rule to be subject to fingerprinting;

(18) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;
(19) to order organizations, distributors, distributor salespersons, manufacturers, linked bingo game providers, and gambling managers to take corrective actions; and

(20) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, distributor salesperson, manufacturer, linked bingo game provider, or gambling manager a civil penalty of not more than $1,000 per violation for a failure to comply with any provision of this chapter, chapter 297E, or any rule adopted or order issued by the board. Any organization, distributor, distributor salesperson, gambling manager, linked bingo game provider, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. Appeals of citations imposing a civil penalty are not subject to the provisions of the Administrative Procedure Act.

(c) All penalties received by the board must be deposited in the general fund.

(d) All fees imposed by the board under sections 349.16 to 349.167 must be deposited in the state treasury and credited to a lawful gambling regulation account in the special revenue fund. Receipts in this account are available for the operations of the board up to the amount authorized in biennial appropriations from the legislature. If a fiscal biennium ends without the enactment of an appropriation to the board for the following biennium, receipts in this account are annually appropriated to the board for the operations of the board up to the amount authorized in the second year of the most recently enacted biennial appropriation, until a biennial appropriation is enacted.

Sec. 5. Minnesota Statutes 2010, section 349A.10, is amended by adding a subdivision to read:

Subd. 8. Ongoing operations. The Minnesota Lottery shall conduct ongoing operations, and all funds available to the lottery under this chapter are appropriated to the lottery on a permanent and ongoing basis.

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

Delete the title and insert:

"A bill for an act relating to state government; allowing operations on an ongoing basis for the Racing Commission, Gambling Control Board, and State Lottery; amending Minnesota Statutes 2010, sections 240.15, subdivision 6; 240.155, subdivision 1; 240.30, subdivision 9; 349.151, subdivision 4; 349A.10, by adding a subdivision."

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.

Shimanski from the Committee on Judiciary Policy and Finance to which was referred:

H. F. No. 2081, A bill for an act relating to human services; modifying electronic benefit transfer cards; regulating use of electronic benefit transfer cards; providing criminal penalties; amending Minnesota Statutes 2011 Supplement, section 256.987, subdivisions 1, 2, by adding subdivisions.

Reported the same back with the following amendments:
Page 2, delete section 5
Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "providing criminal penalties;"
Correct the title numbers accordingly

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

The report was adopted.

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

H. F. No. 2093, A bill for an act relating to labor and industry; clarifying employee classification of independent contractors; providing pilot project for contractor registration; amending Minnesota Statutes 2010, sections 181.723, subdivisions 1, 3, 4, 7, 15, 16, by adding subdivisions; 326B.081, subdivision 3; Minnesota Statutes 2011 Supplement, section 181.723, subdivision 5; repealing Minnesota Statutes 2010, section 181.723, subdivisions 6, 8, 9, 10, 11, 12, 14, 17; Minnesota Rules, parts 5202.0100; 5202.0110; 5202.0120; 5202.0130; 5202.0140; 5202.0150; 5202.0160.

Reported the same back with the following amendments:

Page 2, line 7, delete the new language and reinstate the stricken language
Page 2, line 9, delete the new language and reinstate the stricken language
Page 2, line 11, delete the new language and reinstate the stricken language and before "An" insert "(a)"
Page 2, line 12, delete the new language and reinstate the stricken language
Page 2, line 19, delete "worker" and insert "individual"
Page 2, line 21, delete "worker" and insert "individual"

Page 3, line 24, delete "Security" and insert "Development"

Page 9, line 6, delete "or"
Page 9, line 18, delete the period and insert "; or"
Page 9, after line 18, insert:

"(5) be penalized for violations of this subdivision that are committed by another person. This clause applies only to violations of this paragraph."
Page 10, line 14, before the period, insert "; except that registration information published on the department's Web site may be accessed for registration verification purposes only"

Page 10, after line 19, insert:

"Sec. 11. Minnesota Statutes 2010, section 289A.31, subdivision 5, is amended to read:

Subd. 5. Withholding tax, withholding from payments to out-of-state contractors, and withholding by partnerships and small business corporations. (a) Except as provided in paragraph (b), an employer or person withholding tax under section 290.92 or 290.923, subdivision 2, who fails to pay to or deposit with the commissioner a sum or sums required by those sections to be deducted, withheld, and paid, is personally and individually liable to the state for the sum or sums, and added penalties and interest, and is not liable to another person for that payment or payments. The sum or sums deducted and withheld under section 290.92, subdivision 2a or 3, or 290.923, subdivision 2, must be held as a special fund in trust for the state of Minnesota.

(b) If the employer or person withholding tax under section 290.92 or 290.923, subdivision 2, fails to deduct and withhold the tax in violation of those sections, and later the taxes against which the tax may be credited are paid, the tax required to be deducted and withheld will not be collected from the employer. This does not, however, relieve the employer from liability for any penalties and interest otherwise applicable for failure to deduct and withhold. This paragraph does not apply to an employer subject to paragraph (g), or to a contractor required to withhold under section 290.92, subdivision 31.

(c) Liability for payment of withholding taxes includes a responsible person or entity described in the personal liability provisions of section 270C.56.

(d) Liability for payment of withholding taxes includes a third-party lender or surety described in section 270C.59.

(e) A partnership or S corporation required to withhold and remit tax under section 290.92, subdivisions 4b and 4c, is liable for payment of the tax to the commissioner, and a person having control of or responsibility for the withholding of the tax or the filing of returns due in connection with the tax is personally liable for the tax due.

(f) A payor of sums required to be withheld under section 290.9705, subdivision 1, is liable to the state for the amount required to be deducted, and is not liable to an out-of-state contractor for the amount of the payment.

(g) If an employer fails to withhold tax from the wages of an employee when required to do so under section 290.92, subdivision 2a, by reason of treating such employee as not being an employee, then the liability for tax is equal to three percent of the wages paid to the employee. The liability for tax of an employee is not affected by the assessment or collection of tax under this paragraph. The employer is not entitled to recover from the employee any tax determined under this paragraph.

EFFECTIVE DATE. This section is effective for payments made after June 30, 2012."

Page 11, after line 2, insert:

"(c) Minnesota Statutes 2010, section 290.92, subdivision 31, is repealed effective for payments made after June 30, 2012."

Page 11, line 4, delete "11" and insert "10 and 12"
Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after "registration;" insert "providing for penalties;"

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.

Erickson from the Committee on Education Reform to which was referred:

H. F. No. 2127, A bill for an act relating to education; modifying online learning parameters; modifying graduation requirements; providing for digital learning; amending Minnesota Statutes 2010, sections 120B.024; 122A.18, by adding a subdivision; 122A.60, subdivisions 1a, 3; 124D.095, subdivisions 2, 4, 7; 126C.15, subdivision 1.

Reported the same back with the following amendments:

Page 2, line 1, delete "receive" and insert "successfully complete" and delete "digital" and after "under" insert "paragraph (a) that includes digital learning as defined in"

Page 4, line 28, after "digital" insert "learning"

Page 4, line 31, after the second "digital" insert "learning"

Page 4, line 33, after "digital" insert "learning"

Page 5, line 1, after "Digital" insert "learning"

Page 5, line 3, after "digital" insert "learning"

Page 6, line 8, after "digital" insert "learning"

Page 6, line 32, delete "60 business" and insert "90 calendar"

Page 6, line 33, after "digital" insert "learning" and delete everything after "application"

Page 6, delete lines 34 to 35

Page 7, delete line 1

Page 7, line 2, delete everything before the period

Page 7, line 5, after the first "digital" insert "learning" and after the second "digital" insert "learning"

Page 7, line 10, after "digital" insert "learning"
Page 7, line 14, delete "(d)" and insert "(c)"

Page 7, line 15, delete everything after "(c)"

Page 7, delete lines 16 to 22

Page 7, line 23, delete "(d)"

Page 7, line 28, delete "(e)" and insert "(d)"

Page 7, line 31, delete "(f)" and insert "(e)"

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

The report was adopted.

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

H. F. No. 2136, A bill for an act relating to motor vehicles; regulating salvage titles; modifying the disclosure of motor vehicle damage; amending Minnesota Statutes 2010, sections 168A.01, subdivisions 8a, 12a; 168A.151, subdivision 1; 325F.6641; 325F.6644, subdivision 1; repealing Minnesota Statutes 2010, section 168A.01, subdivision 6a.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 168A.01, subdivision 6a, is amended to read:

Subd. 6a. High-value vehicle. "High-value vehicle" means a vehicle manufactured six or more years before the start of the current model year that had an actual cash value in excess of $5,000 $9,000 before being damaged, or a vehicle with a manufacturer's rating of over 26,000 pounds gross vehicle weight, that is not a late-model vehicle.

Sec. 2. Minnesota Statutes 2010, section 168A.01, subdivision 8a, is amended to read:

Subd. 8a. Late-model vehicle. "Late-model vehicle" means a vehicle manufactured in the current model year or the five model years immediately preceding the current model calendar year.

Sec. 3. Minnesota Statutes 2010, section 168A.01, subdivision 12a, is amended to read:

Subd. 12a. Older model vehicle. "Older model vehicle" means a vehicle manufactured in the sixth model year immediately preceding the current model year or earlier that is not a high-value vehicle that is not a late-model vehicle.
Sec. 4. Minnesota Statutes 2010, section 168A.151, subdivision 1, is amended to read:

Subdivision 1. Salvage titles. (a) When an insurer, licensed to conduct business in Minnesota, acquires ownership of a late-model or high-value vehicle through payment of damages, the insurer shall immediately apply for a salvage certificate of title or shall stamp the existing certificate of title with the legend "SALVAGE CERTIFICATE OF TITLE" in a manner prescribed by the department. Within 48 hours of taking possession ten days of obtaining the title of a vehicle through payment of damages, an insurer must notify the department in a manner prescribed by the department.

(b) A person shall immediately apply for a salvage certificate of title if the person acquires a damaged late-model or high-value motor vehicle with an out-of-state title and the vehicle:

(1) is a vehicle that was acquired by an insurer through payment of damages;

(2) is a vehicle for which the cost of repairs exceeds the value of the damaged vehicle; or

(3) has an out-of-state salvage certificate of title as proof of ownership.

(c) A self-insured owner of a late-model or high-value vehicle who sustains damage by collision or other occurrence which exceeds 70 80 percent of its actual cash value shall immediately apply for a salvage certificate of title. Damage, for the purpose of this calculation, does not include the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

Sec. 5. Minnesota Statutes 2010, section 325F.6641, is amended to read:

325F.6641 DISCLOSURE OF MOTOR VEHICLE DAMAGE.

Subdivision 1. Damage. (a) If a motor late-model vehicle, as defined in section 168A.01, subdivision 8a, has sustained damage by collision or other occurrence which exceeds 70 80 percent of its actual cash value immediately prior to sustaining damage, the seller must disclose that fact to the buyer, if the seller has actual knowledge of the damage. The amount of damage is determined by the retail cost of repairing the vehicle based on a complete written repair estimate or invoice, exclusive of the actual cost incurred to repair, replace, or reinstall inflatable safety restraints and other vehicle components that must be replaced due to the deployment of the inflatable safety restraints.

(b) The disclosure required under this subdivision must be made in writing on the application for title and registration or other transfer document, in a manner prescribed by the registrar of motor vehicles. The registrar shall revise the certificate of title form, including the assignment by seller (transferor) and reassignment by licensed dealer sections of the form, the separate application for title forms, and other transfer documents to accommodate this disclosure. If the seller is a motor vehicle dealer licensed pursuant to section 168.27, the disclosure required by this section must be made orally by the dealer to the prospective buyer in the course of the sales presentation.

(c) Upon transfer and application for title to a vehicle covered by this subdivision, the registrar shall record the term "rebuilt" on the first Minnesota certificate of title and all subsequent Minnesota certificates of title used for that vehicle.

Subd. 2. Form of disclosure. The disclosure required in this section must be made in substantially the following form: "To the best of my knowledge, this vehicle has .... has not .... sustained damage, exclusive of any costs to repair, replace, or reinstall air bags and other components that were replaced due to deployment of air bags, in excess of 70 80 percent actual cash value."
Sec. 6. Minnesota Statutes 2010, section 325F.6644, subdivision 1, is amended to read:

Subdivision 1. **Damage disclosure.** Section 325F.6641 does not apply to vehicles that are six years old or older as calculated from the first day of January of the designated model year or to commercial motor vehicles with a gross vehicle weight rating of 16,000 pounds or more or to motorcycles."

Correct the title numbers accordingly

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

The report was adopted.

Shimanski from the Committee on Judiciary Policy and Finance to which was referred:

H. F. No. 2149, A bill for an act relating to public safety; expanding the definition of qualified domestic violence-related offense; amending Minnesota Statutes 2010, section 609.02, subdivision 16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, 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 sections 518B.01, subdivision 14 (violation of domestic abuse order for protection); 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); 609.2245 (female genital mutilation); 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 (stalking); 609.78, subdivision 2 (interference with an emergency call); and 629.75 (violation of domestic abuse no contact order); 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, 2012, and applies to crimes committed on or after that date."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2187, A bill for an act relating to public safety; vehicle titles; clarifying requirements pertaining to bonds and issuance of title; amending Minnesota Statutes 2010, sections 168A.07, by adding a subdivision; 168A.20, subdivision 5.

Reported the same back with the following amendments:
Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 168.27, subdivision 28, is amended to read:

Subd. 28. Distribution of plates and stickers. The commissioner may distribute registration plates and stickers to be held and issued by new and used motor vehicle dealers. A dealer may issue registration plates and stickers only in conjunction with and at the time of the sale of a vehicle by the dealer. A dealer permitted to hold and issue registration plates and stickers must be equipped with electronic transmission technology and trained in its use. Before receiving registration plates and stickers under this subdivision, a dealer must adopt and implement security and record-keeping requirements satisfactory to the commissioner. The commissioner may revoke the authority granted under this subdivision for any violation of law or rule governing the issuance of registration plates and stickers, any violation of the dealer's security and record-keeping plan, or any other action that in the commissioner's opinion adversely affects the registration system. The dealer is financially responsible for the cost and tax value of any unaccounted inventory.

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

Sec. 2. Minnesota Statutes 2010, section 168A.07, subdivision 1, is amended to read:

Subdivision 1. Ownership at issue; certificate withheld or bond filed. In the event application is made in this state for a certificate of title on a vehicle and the department is not satisfied as to the ownership of the vehicle or the existence of security interests therein, the vehicle may be registered but the department, subject to subdivision 1a, shall either:

(1) withhold issuance of a certificate of title until the applicant shall present documents reasonably sufficient to satisfy the department of the applicant's ownership of the vehicle and as to any security interest therein; or

(2) as a condition to issuing a certificate of title, require the applicant to file a bond in the form and amount provided in subdivision 1b.

Subd. 1a. Ownership at issue; requirements for certificate issuance. (a) In the event application is made in this state for a certificate of title on a vehicle with a model year designated by the manufacturer of more than five years prior to the year in which application is made, and the applicant is unable to establish sole ownership of the vehicle because one or more owners, prior owners, or lienholders cannot be found, the department shall issue a certificate of title to the applicant if the applicant submits:

(1) the application;

(2) a bond in the form and amount provided in subdivision 1b;

(3) an affidavit that identifies the make, model year, and vehicle identification number of the vehicle, and includes a statement that:

(i) the applicant is an owner of the vehicle;

(ii) the applicant has physical possession of the vehicle; and

(iii) in attempting to transfer interest in the vehicle or obtain a certificate of title or lien release, the applicant was unable after using due diligence to (A) determine the names or locations of one or more owners, prior owners, or lienholders; or (B) successfully contact one or more owners, prior owners, or lienholders known to the applicant; and
(4) payment for required taxes and fees.

(b) Unless the department has been notified of the pendency of an action to recover the bond under paragraph (a), clause (2), the department shall allow it to expire at the end of three years.

Subd. 1b. **Bond requirements.** A bond filed under this section must be in the form prescribed by the department and executed by the applicant, and either accompanied by the deposit of cash or executed by a surety company authorized to do business in this state, in an amount equal to 1-1/2 times the value of the vehicle as determined by the department. The bond shall be conditioned to indemnify any prior owner and secured party and any subsequent purchaser of the vehicle or person acquiring any security interest therein, or the successor in interest of any said person, against any expense, loss, or damage, including reasonable attorneys' fees, by reason of the issuance of the certificate of title to the vehicle or on account of any defect in or undisclosed security interest upon the right, title and interest of the applicant in and to the vehicle. Any such interested person shall have a right of action to recover on such bond for any breach of its conditions, but the aggregate liability of the surety to all such persons shall in no event exceed the amount of the bond. Unless the department has been notified of the pendency of an action to recover on the bond and if all questions as to ownership and outstanding security interests have been resolved to the satisfaction of the department, such bond, and any deposit accompanying it, shall be returned at the end of three years or prior thereto in the event the vehicle is no longer registered in this state and the currently valid certificate of title is surrendered.

Sec. 3. Minnesota Statutes 2010, section 168A.20, subdivision 5, is amended to read:

Subd. 5. **Satisfaction of automobile lien seven years old; release.** A security interest perfected under this chapter may be canceled seven years from the perfection date for a passenger automobile, as defined in section 168.002, subdivision 24, upon the request of the owner of the passenger automobile, if the owner has paid the lien in full and is unable to locate the lienholder to obtain a lien release. At a minimum, the owner must send a letter to the lienholder by certified mail, return receipt requested, requesting a lien release. If the owner is unable to obtain a lien release by sending a letter by certified mail, then the owner must present to the department or its agent the returned letter as evidence of the attempted contact. This subdivision applies only to (1) vehicle owners who are individuals; or (2) dealers licensed under section 168.27, subdivision 2 or 3, who are purchasing a vehicle from an individual owner for resale."

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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


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

The report was adopted.
Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 2277, A bill for an act relating to taxation; establishing a new jobs now tax credit; appropriating money; making changes to corporate franchise and sales and use taxes; amending Minnesota Statutes 2010, sections 290.01, subdivision 19d; 290.17, subdivision 4; 290.21, subdivision 4; 297A.66, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 290.

Reported the same back with the recommendation that the bill be re-referred to the Committee on Taxes without further recommendation.

The report was adopted.

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

H. F. No. 2335, A bill for an act relating to debt collectors; amending procedures for licensure of debt collection agencies and registration of individual debt collectors; amending Minnesota Statutes 2010, sections 332.33, subdivisions 4, 7, 8; 332.35; 332.40, subdivision 1.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 2, line 20, delete "of" and reinstate the stricken "in" and reinstate the stricken "court of fraud or any"

Page 3, line 14, delete "any provision of" and insert "section 332.33, subdivision 7 or 8, 332.385, or 332.42."

Page 3, line 15, delete everything before "or"

Page 3, line 17, delete everything after the period

Page 3, delete line 18 and insert "A licensee or individual registered collector shall have 30 days from the date of written notification of alleged violations to come into compliance with Minnesota law or administrative rule without financial obligation or penalty."

Renumber the sections in sequence

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2374, A bill for an act relating to human services; modifying nursing facility rate equalization; amending Minnesota Statutes 2010, section 256B.48, subdivision 1.

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

The report was adopted.
Gunther from the Committee on Jobs and Economic Development Finance to which was referred:

H. F. No. 2429, A bill for an act relating to economic development; establishing a technology corporate franchise tax certificate transfer program; amending Minnesota Statutes 2010, sections 290.01, subdivision 29; 290.06, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 116J.

Reported the same back with the following amendments:

Page 3, after line 2, insert:

"(f) "Technology company" means an emerging corporation that:

(1) has its headquarters or base of operations in this state;

(2) owns, has filed for, or has a valid license to use protected, proprietary intellectual property; and

(3) employs some combination of the following: highly educated or trained managers and workers, or both, employed in this state who use sophisticated scientific research service or production equipment, processes, or knowledge to discover, develop, test, transfer, or manufacture a product or service."

Page 3, line 6, delete "carryover" and insert "carryovers"

Page 3, line 9, delete "80" and insert "75"

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

The report was adopted.

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

H. F. No. 2508, A bill for an act relating to public safety; aligning state-controlled substance schedules with federal controlled substance schedules; modifying the authority of the Board of Pharmacy to regulate controlled substances; providing for penalties; amending Minnesota Statutes 2010, section 152.02, as amended; Minnesota Statutes 2011 Supplement, section 152.027, subdivision 6.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 343, 1428, 2149, 2187, 2253, 2335 and 2374 were read for the second time.
INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Winkler, Carlson and Beard introduced:

H. F. No. 2632, A bill for an act relating to transportation; public safety; directing reinstatement of Golden Valley deputy registrar office after certain conditions are met.

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

Atkins introduced:

H. F. No. 2633, A bill for an act relating to liquor; permitting certain purchase and use of bulk wine; amending Minnesota Statutes 2010, section 340A.315, by adding a subdivision.

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

Torkelson, Fabian and Anderson, B., introduced:

H. F. No. 2634, A bill for an act relating to environment; providing for alternative local standards for subsurface sewage treatment systems; requiring rulemaking; amending Minnesota Statutes 2010, section 115.55, subdivision 7.

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

Abeler introduced:

H. F. No. 2635, A bill for an act relating to higher education; requiring timely appointment of presidents for Minnesota State Colleges and Universities institutions; amending Minnesota Statutes 2010, section 136F.40, subdivision 1.

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

Woodard and Stensrud introduced:


The bill was read for the first time and referred to the Committee on Taxes.
Buesgens, Hackbarth and Erickson introduced:

H. F. No. 2637, A bill for an act relating to historic preservation and cultural heritage; appropriating money for the State Capitol building; amending Minnesota Statutes 2010, section 129D.17, by adding a subdivision.

The bill was read for the first time and referred to the Legacy Funding Division.

Anderson, D.; Hoppe; Atkins; Sanders; Dittrich; Daudt and Davids introduced:

H. F. No. 2638, A bill for an act relating to insurance; regulating sale of portable electronics insurance; amending Minnesota Statutes 2010, section 60K.381.

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

Kiffmeyer; Kieffer; Garofalo; Myhra; Franson; Woodard; Daudt; Bills; Nornes; Stensrud; Leidiger; LeMieur; Mazorol; Murdock; Scott; Gruenhagen; Runbeck; Torkelson; Anderson, S.; Doepke and Loon introduced:

H. F. No. 2639, A bill for an act proposing an amendment to the Minnesota Constitution, article VII, section 1; requiring voters to present photographic identification; providing photographic identification to voters at no charge; requiring equal verification standards for all voters.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Dettmer, Ward, Erickson, Buesgens, Runbeck, Urdahl and Bills introduced:

H. F. No. 2640, A bill for an act relating to the military; amending the pay differential law as it applies to school district employees who are members of the National Guard or any other reserve unit; amending Minnesota Statutes 2010, section 471.975.

The bill was read for the first time and referred to the Veterans Services Division.

Kieffer, Lenczewski, Gruenhagen, Dittrich, Lohmer, Davids, Scalze, Downey, Bills and Stensrud introduced:

H. F. No. 2641, A bill for an act relating to taxation; eliminating the corporate franchise tax; amending Minnesota Statutes 2010, sections 290.06, subdivision 1; 290.0921, subdivision 1.

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

Hausman; Murphy, E.; Greiling; Johnson; Davnie; Wagenius and Greene introduced:

H. F. No. 2642, A bill for an act relating to natural resources; providing for financial assurance for nonferrous metallic mineral mining; amending Minnesota Statutes 2010, sections 93.481, subdivision 1, by adding a subdivision; 93.49; proposing coding for new law in Minnesota Statutes, chapter 93.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.
McDonald, Runbeck, Leidiger, LeMieu and Franson introduced:

H. F. No. 2643, A bill for an act relating to taxation; tax increment financing; modifying definitions; amending Minnesota Statutes 2010, section 469.174, subdivision 10.

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

Kiffmeyer; Zellers; Dean; Benson, M.; Peppin; Erickson; Downey; Dettmer; Cornish; Wardlow; Anderson, D.; Vogel; Drazkowski; Lohmer; McElfatrick; Fabian; Anderson, B.; McDonald; Petersen, B.; Hancock; Gottwalt; Barrett; Crawford; Urdahl; Mack and Holberg introduced:

H. F. No. 2644, A bill for an act proposing an amendment to the Minnesota Constitution, article VII, section 1; requiring voters to present photographic identification; providing photographic identification to voters at no charge; requiring equal verification standards for all voters.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Erickson introduced:


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

Murphy, E., introduced:

H. F. No. 2646, A bill for an act relating to public health; creating a public health improvement account; modifying provisions of the statewide health improvement program; establishing a program to provide funding for health impact assessments; appropriating money; amending Minnesota Statutes 2010, sections 145.986, subdivisions 1, 5; 297F.05, subdivisions 1, 3, 4; Minnesota Statutes 2011 Supplement, section 297F.10, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 145.

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

Myhra; Garofalo; Kelly; Anderson, D.; Erickson; Mack; Loon; Woodard; Kieffer; Wardlow; Daudt; Bills; Gruenhagen and Holberg introduced:

H. F. No. 2647, A bill for an act relating to education; clarifying the definition of public data relating to agreements involving payment of public money; amending Minnesota Statutes 2010, section 13.43, subdivision 2.

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

Kelly introduced:

H. F. No. 2648, A bill for an act relating to capital investment; appropriating money for the Goodhue Pioneer Trail; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.
Kelly and Garofalo introduced:

H. F. No. 2649, A bill for an act relating to capital investment; appropriating money for land acquisition for Mill Towns State Trail and expansion of Goodhue County Lake Byllesby Park; authorizing the sale and issuance of state bonds.

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

Beard introduced:

H. F. No. 2650, A bill for an act relating to energy; regulating the renewable development account; amending Minnesota Statutes 2010, section 116C.779, subdivision 2; Minnesota Statutes 2011 Supplement, section 116C.779, subdivision 1; repealing Laws 2003, First Special Session chapter 11, article 2, section 17.

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

Loon, Garofalo and Erickson introduced:


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

Murray; Benson, M.; Davids; Runbeck and Lenczewski introduced:

H. F. No. 2652, A bill for an act relating to taxation; conforming to changes made in the Internal Revenue Code; issuing a refund; amending Minnesota Statutes 2011 Supplement, section 290.01, subdivision 19a.

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

Urdahl; Murphy, M., and Kiel introduced:

H. F. No. 2653, A bill for an act relating to history and cultural heritage; appropriating money for activities commemorating the sesquicentennial of the American Civil War and the Dakota Conflict.

The bill was read for the first time and referred to the Legacy Funding Division.

Mahoney, Gunther, Greene, McFarlane and Downey introduced:

H. F. No. 2654, A bill for an act relating to economic development; tax credits; increasing the small business investment tax credit for 2012; amending Minnesota Statutes 2010, section 116J.8737, subdivision 5.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.
Davids and Simon introduced:

H. F. No. 2655, A bill for an act relating to taxation; income; providing for a film investment credit; proposing coding for new law in Minnesota Statutes, chapter 290.

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

Howes, Hoppe, Nelson, Holberg, Daudt, Murdock, Dettmer and Hackbarth introduced:

H. F. No. 2656, A bill for an act relating to commerce; regulating building and construction contracts; prohibiting certain agreements to insure; amending Minnesota Statutes 2010, section 337.05, subdivision 1.

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

Winkler; Murphy, E.; Hornstein; Greene and Gauthier introduced:

H. F. No. 2657, A bill for an act relating to campaign finance; adding requirements to lobbyists or principals related to model legislation; adding requirements to principals and public officials related to scholarship funds; amending Minnesota Statutes 2010, sections 10A.01, subdivisions 21, 33, by adding subdivisions; 10A.04, subdivision 6; 10A.09, subdivision 5.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Doepke; Erickson; Mariani; McFarlane; Benson, J., and Greiling introduced:

H. F. No. 2658, A bill for an act relating to education; providing for the creation of individualized learning schools; modifying certain site-governed school, postsecondary enrollment options, and charter school provisions; amending Minnesota Statutes 2010, sections 120B.024; 123B.045, subdivision 3; 124D.09, subdivisions 9, 12, 13, 24, 25; 135A.101, subdivision 1; Minnesota Statutes 2011 Supplement, sections 124D.09, subdivision 5; 124D.10, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 124D; repealing Minnesota Statutes 2010, section 124D.09, subdivision 23.

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

Morrow, Brynaert, Gauthier, Scalze, Winkler and Atkins introduced:

H. F. No. 2659, A bill for an act relating to governmental operations; legislative and executive branch ethics; prohibiting insider trading based on nonpublic information by executive branch officers, legislators, and legislative staff; amending Minnesota Statutes 2010, section 10A.09, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 3; 10.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.
Morrow introduced:

H. F. No. 2660, A bill for an act relating to higher education; establishing an open-access textbook task force; requiring a plan for improved use of open-access textbooks.

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

Erickson introduced:

H. F. No. 2661, A bill for an act relating to capital investment; appropriating money for the Malone Island Bridge in the city of Isle; authorizing the sale and issuance of state bonds.

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

Davnie and Mariani introduced:

H. F. No. 2662, A bill for an act relating to education finance; phasing out the special education tuition bill-back procedure; making the serving school responsible for all special education costs; amending Minnesota Statutes 2010, section 127A.47, subdivision 7.

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

Dill introduced:

H. F. No. 2663, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land.

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

Kriesel and Drazkowski introduced:

H. F. No. 2664, A bill for an act relating to game and fish; allowing persons age 55 or older to hunt with a crossbow; amending Minnesota Statutes 2010, section 97B.035, subdivision 1.

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

Fritz introduced:

H. F. No. 2665, A bill for an act relating to health; requiring reports on nursing personnel staffing; amending Minnesota Statutes 2010, section 144A.04, subdivision 7.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.
Fritz and Abeler introduced:

H. F. No. 2666, A bill for an act relating to health; requiring annual reports on nursing personnel staffing in medical clinics; proposing coding for new law in Minnesota Statutes, chapter 144.

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

Fritz introduced:

H. F. No. 2667, A bill for an act relating to higher education; providing free tuition for graduates of the Minnesota State Academy for the Deaf; amending Minnesota Statutes 2010, section 248.03.

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

Holberg and Scott introduced:

H. F. No. 2668, A bill for an act relating to data practices; classifying data on unofficial fiscal notes; amending Minnesota Statutes 2010, section 13.64, by adding a subdivision.

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

Hornstein, Gauthier, Wagenius, Laine and Paymar introduced:

H. F. No. 2669, A bill for an act relating to taxation; modifying income and corporate franchise tax structures; amending Minnesota Statutes 2010, sections 289A.08, subdivision 3; 290.01, subdivisions 5, 19d, by adding a subdivision; 290.06, subdivision 2d; 290.17, subdivision 4; Minnesota Statutes 2011 Supplement, sections 290.01, subdivision 19c; 290.06, subdivision 2c; repealing Minnesota Statutes 2010, sections 290.01, subdivision 6b; 290.0921, subdivision 7.

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

Gruenhagen and Benson, M., introduced:

H. F. No. 2670, A bill for an act relating to insurance; providing guaranteed issue in the individual health insurance market and related changes in the Minnesota Comprehensive Health Association; amending Minnesota Statutes 2010, sections 62A.65, subdivision 2, by adding a subdivision; 62E.10, subdivision 7; 62E.11, subdivision 1; 62E.14, subdivision 1; repealing Minnesota Statutes 2010, section 62A.65, subdivision 6.

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

Davids and Daudt introduced:

H. F. No. 2671, A bill for an act relating to taxation; motor fuels excise; providing for rate reductions during periods of high prices; amending Minnesota Statutes 2010, sections 296A.07, subdivision 1, by adding a subdivision; 296A.08, subdivision 1, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance.
H. F. No. 2672, A bill for an act relating to crimes; authorizing death penalty for capital offenses; providing statutory framework, including procedures and criteria for imposition of death penalty; authorizing Board of Pardons to hear petitions for commutations of death penalty sentences; providing for automatic appellate review of death penalty cases; providing for appointment of attorneys in death penalty cases; providing administrative framework for implementing death penalty; amending Minnesota Statutes 2010, sections 243.05, subdivision 1; 609.10, subdivision 1; 609.106, by adding a subdivision; 609.12, subdivision 1; 609.135, subdivision 1; 609.185; proposing coding for new law in Minnesota Statutes, chapter 638; proposing coding for new law as Minnesota Statutes, chapter 244A.

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

H. F. No. 2673, A bill for an act relating to metropolitan government; establishing a task force to study and make recommendations on metropolitan governance.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

H. F. No. 2674, A bill for an act relating to health; requiring licensure of certain facilities that perform abortions; proposing coding for new law in Minnesota Statutes, chapter 145.

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

H. F. No. 2675, A bill for an act relating to health; requiring a prescribing physician be physically present when certain abortion-inducing drugs are administered; proposing for criminal penalty; proposing coding for new law in Minnesota Statutes, chapter 145.

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

H. F. No. 2676, A bill for an act relating to health; modifying eligibility for grants; amending Minnesota Statutes 2010, section 145.4235, subdivision 2.

The bill was read for the first time and referred to the Committee on Health and Human Services Finance.
Kiel, Mariani, Garofalo and Doepke introduced:

H. F. No. 2677, A bill for an act relating to education; modifying certain principal evaluation provisions; amending Minnesota Statutes 2011 Supplement, section 123B.147, subdivision 3.

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

Winkler, Ward and Lillie introduced:

H. F. No. 2678, A bill for an act relating to education; modifying certain early childhood, kindergarten through grade 12, and higher education provisions; establishing early learning and higher education gap scholarship programs; establishing a fiber optic infrastructure grant program; appropriating money for a public school's fiber optic infrastructure grant program; implementing a schedule to repay the school aid payment shift; increasing accessibility to career and technical education; authorizing the sale and issuance of state bonds; appropriating money; amending Minnesota Statutes 2010, sections 13.32, subdivisions 3, 6; 119B.03, by adding a subdivision; 124D.09, subdivisions 3, 9, 10, 12, 25; 124D.15, subdivisions 3a, 12; 135A.101, subdivision 1; Minnesota Statutes 2011 Supplement, sections 124D.09, subdivisions 5, 7; 127A.45, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 119B; 126C; 136A; repealing Minnesota Statutes 2010, sections 119A.52; 124D.09, subdivision 23; 124D.16, subdivisions 2, 3, 5, 6, 7; Laws 2011, First Special Session chapter 11, article 7, section 2, subdivision 8.

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

Abeler introduced:

H. F. No. 2679, A bill for an act relating to human services; establishing new payment rate-setting methodologies for home and community-based waiver services; providing rulemaking authority; amending Minnesota Statutes 2010, sections 245A.11, subdivision 8; 256B.0911, by adding a subdivision; 256B.0916, subdivision 2; 256B.092, subdivision 4; 256B.49, subdivision 17; 256B.4912; proposing coding for new law in Minnesota Statutes, chapter 256B.

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

Shimanski; Kiffmeyer; Anderson, B., and Johnson introduced:

H. F. No. 2680, A bill for an act relating to courts; removing limitation on voter list data received by courts for jury selection; amending Minnesota Statutes 2010, section 201.091, subdivision 9.

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

Shimanski introduced:

H. F. No. 2681, A bill for an act relating to capital investment; appropriating money for flood hazard mitigation for the city of Brownton; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.
Koenen introduced:

H. F. No. 2682, A bill for an act relating to capital investment; appropriating money for flood hazard mitigation in Granite Falls; authorizing the sale and issuance of state bonds.

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

Gottwalt, Abeler, Hoppe and Davids introduced:

H. F. No. 2683, A bill for an act relating to insurance; permitting certain entities to administer unified personal health premium accounts; creating a task force; proposing coding for new law as Minnesota Statutes, chapter 62V; repealing Minnesota Statutes 2010, section 62L.12, subdivisions 3, 4.

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

Peppin, Beard and Nelson introduced:


The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Beard introduced:

H. F. No. 2685, A bill for an act relating to transportation; requiring fare increases for Metro Transit service; amending Minnesota Statutes 2010, section 473.408, by adding a subdivision.

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

Holberg, by request, introduced:

H. F. No. 2686, A bill for an act relating to metropolitan government; providing for additional financing of metropolitan area transit and paratransit capital expenditures; authorizing the issuance of certain obligations; amending Minnesota Statutes 2010, section 473.39, by adding a subdivision.

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

Holberg, by request, introduced:

H. F. No. 2687, A bill for an act relating to transportation; regulating bridge inspections; amending Minnesota Statutes 2010, sections 165.01; 165.03; repealing Minnesota Rules, parts 8810.9000; 8810.9100; 8810.9200; 8810.9300; 8810.9400; 8810.9500; 8810.9600; 8810.9700.

The bill was read for the first time and referred to the Committee on Transportation Policy and Finance.
McFarlane introduced:

H. F. No. 2688, A bill for an act relating to taxation; sales and use; allowing capital equipment exemption at time of purchase; amending Minnesota Statutes 2010, section 297A.68, subdivision 5; Minnesota Statutes 2011 Supplement, section 297A.75, subdivisions 1, 2, 3.

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

McFarlane introduced:

H. F. No. 2689, A bill for an act relating to taxation; eliminating sales tax on purchases by political subdivisions; amending Minnesota Statutes 2011 Supplement, section 297A.70, subdivision 2.

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

Davids, Runbeck and Loon introduced:

H. F. No. 2690, A bill for an act relating to taxation; making technical, administrative, and clarifying changes to individual income, corporate franchise, estate, property, sales and use, special, mineral, and various taxes and tax-related provisions; amending Minnesota Statutes 2010, sections 13.4965, subdivision 3; 16A.46; 270.41, subdivision 5; 270C.42, subdivision 2; 272.01, subdivision 2; 273.124, subdivision 13; 273.1315, subdivisions 1, 2; 273.19, subdivision 1; 273.39; 279.06, subdivision 1; 287.20, by adding a subdivision; 287.385, subdivision 7; 289A.02, by adding a subdivision; 289A.10, by adding a subdivision; 289A.12, by adding a subdivision; 289A.18, by adding a subdivision; 289A.20, subdivision 3, by adding a subdivision; 289A.26, subdivisions 3, 4, 7, 9; 289A.38, subdivisions 7, 8, 9; 289A.42, subdivision 2; 289A.55, subdivision 9; 289A.60, subdivisions 4, 24; 290.01, subdivisions 6b, 19d; 290.0921, subdivision 3; 290.095, subdivision 3; 290.17, subdivision 4; 290A.25; 290B.04, subdivision 2; 296A.22; 297E.14, subdivision 7; 297F.09, subdivision 9; 297F.18, subdivision 7; 297G.09, subdivision 8; 297G.17, subdivision 7; 297I.05, subdivision 11; 297I.80, subdivision 1; 298.018, subdivision 2; Minnesota Statutes 2011 Supplement, sections 270C.34, subdivision 1; 272.02, subdivision 97; 273.13, subdivision 23; 290.01, subdivisions 19b, 19c; 291.03, subdivision 11; 298.01, subdivision 3; 373.01, subdivision 1; Laws 2011, First Special Session chapter 7, article 10, section 7; repealing Minnesota Statutes 2010, sections 272.69; 273.11, subdivision 22.

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

Davids, Runbeck and Loon introduced:

H. F. No. 2691, A bill for an act relating to taxation; making policy, technical, administrative, and other changes to estate, property, sales and use, special, and various taxes and tax-related provisions; amending Minnesota Statutes 2010, sections 65B.84, subdivision 1; 270.077; 270C.38, subdivision 1; 270C.69, subdivision 1; 272.0211, subdivision 2; 272.03, subdivision 9; 273.372, subdivision 4; 287.20, subdivision 2; 297A.665; 297F.01, subdivision 23; 297G.04, subdivision 2; 297I.30, by adding a subdivision; Minnesota Statutes 2011 Supplement, sections 273.114, subdivision 6; 273.13, subdivisions 23, 25; 291.03, subdivisions 8, 9, 10, 11; 297I.05, subdivisions 7, 12; 297I.30, subdivisions 1, 2; proposing coding for new law in Minnesota Statutes, chapter 297I; repealing Minnesota Statutes 2010, section 168A.40, subdivisions 3, 4.

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

H. F. No. 2692, A bill for an act relating to financial institutions; providing for increased use of community financial institutions for state banking services; amending Minnesota Statutes 2010, sections 16A.011, by adding a subdivision; 16A.27, subdivision 3; 16A.671, subdivision 6a; proposing coding for new law in Minnesota Statutes, chapter 16A.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Runbeck introduced:

H. F. No. 2693, A bill for an act relating to local governments; modifying reporting requirements; amending Minnesota Statutes 2010, section 471.999.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Runbeck introduced:

H. F. No. 2694, A bill for an act relating to public sector labor relations; specifying factors that must be considered in interest arbitration; amending Minnesota Statutes 2010, section 179A.16, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 572B.

The bill was read for the first time and referred to the Committee on Government Operations and Elections.

Runbeck introduced:

H. F. No. 2695, A bill for an act relating to telecommunications; prohibiting publicly owned broadband systems; proposing coding for new law in Minnesota Statutes, chapter 237.

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

Beard; Anderson, S.; Hoppe and Mack introduced:

H. F. No. 2696, A bill for an act relating to metropolitan transit; changing the formula for assistance by the Metropolitan Council to cities and towns with replacement transit service; amending Minnesota Statutes 2010, section 473.388, subdivision 4.

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

Holberg, by request, introduced:

H. F. No. 2697, A bill for an act relating to health; changing provisions of the newborn screening program; amending Minnesota Statutes 2010, sections 144.125, subdivision 3, by adding subdivisions; 144.128.

The bill was read for the first time and referred to the Committee on Health and Human Services Reform.
Abeler; Clark; Gunther; Slawik; McFarlane; Mariani; Lanning; Barrett; Huntley; Hosch; Murphy, E., and Fritz
introduced:

H. F. No. 2698, A bill for an act relating to homeless children; creating the Visible Child Act; modifying the
duties of the Interagency Council on Homelessness and the State Interagency Coordinating Council; developing a
visible child plan; requiring reports; amending Minnesota Statutes 2010, sections 125A.27, subdivision 11;
125A.28; 462A.29.

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

Loeffler, Downey, Dittrich, Norton, Marquart and Mullery introduced:

H. F. No. 2699, A bill for an act relating to property taxation; excluding the first $150,000 in value of each
commercial-industrial property from the state general levy; amending Minnesota Statutes 2010, section 275.025,
subdivision 2.

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

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the
Senate, in which amendments the concurrence of the House is respectfully requested:

H. F. No. 1870, A bill for an act relating to education; allowing school districts to base unrequested leave of
absence and certain discharge and demotion decisions on teacher evaluation outcomes; amending Minnesota
Statutes 2010, sections 122A.40, subdivisions 10, 11, 19; 122A.41, subdivisions 14, 15; 123A.75, subdivision 1;
Minnesota Statutes 2011 Supplement, sections 122A.245, subdivision 1; 122A.41, subdivision 6.

CAL R. LUDEMAN, Secretary of the Senate

Petersen, B., moved that the House refuse to concur in the Senate amendments to H. F. No. 1870, that the
Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like
committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

CALENDAR FOR THE DAY

Dean moved that the Calendar for the Day be continued. The motion prevailed.
MOTIONS AND RESOLUTIONS

McElfatrick moved that the name of Gruenhagen be added as an author on H. F. No. 1087. The motion prevailed.

Erickson moved that the name of Nornes be added as an author on H. F. No. 1435. The motion prevailed.

Scott moved that the name of Nornes be added as an author on H. F. No. 1476. The motion prevailed.

Gunther moved that the name of Mullery be added as an author on H. F. No. 1676. The motion prevailed.

Lenczewski moved that the name of Liebling be added as an author on H. F. No. 1733. The motion prevailed.

Loon moved that the name of Myhra be added as an author on H. F. No. 1755. The motion prevailed.

Schomacker moved that the name of Crawford be added as an author on H. F. No. 1979. The motion prevailed.

Petersen, B., moved that the name of Beard be added as an author on H. F. No. 2044. The motion prevailed.

Anzelc moved that the name of Crawford be added as an author on H. F. No. 2105. The motion prevailed.

Kahn moved that the name of Hornstein be added as an author on H. F. No. 2175. The motion prevailed.

Brynaert moved that the name of Clark be added as an author on H. F. No. 2181. The motion prevailed.

Mahoney moved that the name of Clark be added as an author on H. F. No. 2184. The motion prevailed.

Scalze moved that the name of Clark be added as an author on H. F. No. 2185. The motion prevailed.

Fritz moved that the name of Clark be added as an author on H. F. No. 2186. The motion prevailed.

Moran moved that her name be stricken as an author on H. F. No. 2237. The motion prevailed.

O’Driscoll moved that the names of Stensrud, Murray, Hortman and Peterson, S., be added as authors on H. F. No. 2244. The motion prevailed.

Dettmer moved that the names of Johnson and Mahoney be added as authors on H. F. No. 2260. The motion prevailed.

Dettmer moved that the names of Johnson and Mahoney be added as authors on H. F. No. 2261. The motion prevailed.

Mahoney moved that the name of Mullery be added as an author on H. F. No. 2277. The motion prevailed.

Doepke moved that the name of Swedzinski be added as an author on H. F. No. 2325. The motion prevailed.

Slawik moved that the name of Loeffler be added as an author on H. F. No. 2331. The motion prevailed.

McElfatrick moved that the name of Crawford be added as an author on H. F. No. 2393. The motion prevailed.
Hilty moved that the name of Persell be added as an author on H. F. No. 2405. The motion prevailed.

Hamilton moved that the name of Erickson be added as an author on H. F. No. 2423. The motion prevailed.

Slawik moved that the name of Davnie be added as an author on H. F. No. 2586. The motion prevailed.

Howes moved that the names of Peterson, S., and Slocum be added as authors on H. F. No. 2618. The motion prevailed.

Howes moved that the names of Hansen and Peterson, S., be added as authors on H. F. No. 2620. The motion prevailed.

Howes moved that the name of Persell be added as an author on H. F. No. 2622. The motion prevailed.

Smith moved that the name of Slocum be added as an author on H. F. No. 2623. The motion prevailed.

LeMieux moved that H. F. No. 2087, now on the General Register, be re-referred to the Committee on Ways and Means. The motion prevailed.

Peterson, S., moved that H. F. No. 2177 be recalled from the Committee on Higher Education Policy and Finance and be re-referred to the Committee on Jobs and Economic Development Finance. The motion prevailed.

Shimanski moved that H. F. No. 2531 be recalled from the Committee on Civil Law and be re-referred to the Committee on Judiciary Policy and Finance. The motion prevailed.

Loon moved that H. F. No. 2651 be recalled from the Committee on Education Reform and be re-referred to the Committee on Education Finance. The motion prevailed.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 4:30 p.m., Wednesday, March 7, 2012. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 4:30 p.m., Wednesday, March 7, 2012.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives