STATE OF MINNESOTA

EIGHTY-SEVENTH SESSION — 2011

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FIFTY-SECOND DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 10, 2011

The House of Representatives convened at 2:00 p.m. and was called to order by Kurt Zellers, Speaker of the House.

Prayer was offered by the Reverend Jon Rhodes, Our Father's Lutheran Church, Rockford, 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        Davnie        Hamilton        Kriesel        Moran        Sanders
Anderson, B.  Dean          Hancock        Laine          Morrow        Scalze
Anderson, D.  Dettmer        Hansen         Lanning        Mullery        Schomacker
Anderson, P.  Dill           Husman         Leidiger       Murdock        Scott
Anderson, S.  Dittrich       Hayden         LeMieure        Murphy, E.     Shimanski
Anzelc        Doepke         Hilstrom        Lenzewski      Murphy, M.     Simon
Akins         Downey         Hilty           Lesch          Murray
Banaian       Drazkowski     Holberg        Liebling       Myhra          Slocum
Barrett       Eken           Hoppe          Lillie          Nelson        Stensrud
Beard         Erickson       Hornstein      Loeffer        Nornes         Swedzinski
Benson, J.    Fabian         Hortman        Lohmer         Norton         Thissen
Benson, M.    Falk           Hosch          Loon           O'Driscoll     Tillberry
Bills         Franson        Howes          Mack           Paymar         Torkelson
Brynaert      Fritz          Huntley        Mahoney        Pelowski       Udahl
Buesgens      Garofalo       Johnson        Mariani        Peppin         Vogel
Carlson       Gauthier       Kahn           Marquart       Persell        Wagemius
Champion      Gottwald       Kath           Mazorol        Petersen, B.   Ward
Clark         Greene         Kelly          McDonald       Peterson, S.   Wardlow
Comish        Greiling       Kieffer        McElfatrick    Poppe          Westrom
Crawford      Gruenhagen     Kiffmeyer      McFarlane      Quam           Winkler
Daudt         Gunther        Knuth          McNamara       Rukavina       Woodard
Davids        Hackbarth      Koenen         Melin          Runbeck        Spk. Zellers

A quorum was present.

Smith was excused.

Kiel was excused until 2:35 p.m.

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

Holberg from the Committee on Ways and Means to which was referred:

H. F. No. 174, A bill for an act relating to state government; requiring the Department of Revenue to issue a request for proposals for a tax analytics and business intelligence contract.

Reported the same back with the following amendments:

Page 2, line 10, delete everything after the period

Page 2, delete lines 11 and 12 and insert "A contract shall not compensate the vendor based on a percentage of taxes assessed or collected."

Page 2, after line 29, insert:

"Sec. 2. APPROPRIATIONS MADE ONLY ONCE.

If the appropriations made in this bill are enacted more than once in the 2011 regular session, these appropriations must be given effect only once.

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

Amend the title as follows:

Page 1, line 3, before the period, insert "; appropriating money"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 211, A bill for an act relating to civil actions; modifying remedies related to certain unlawful or deceptive trade practice actions; permitting appeals of certain court orders related to class actions; amending Minnesota Statutes 2010, section 8.31, subdivision 3a, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 540.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 3.736, subdivision 4, is amended to read:

Subd. 4. Limits. The total liability of the state and its employees acting within the scope of their employment on any tort claim shall not exceed:
(a) $300,000 when the claim is one for death by wrongful act or omission and $300,000 to any claimant in any other case, for claims arising before August 1, 2007;

(b) $400,000 when the claim is one for death by wrongful act or omission and $400,000 to any claimant in any other case, for claims arising on or after August 1, 2007, and before July 1, 2009;

(c) $500,000 when the claim is one for death by wrongful act or omission and $500,000 to any claimant in any other case, for claims arising on or after July 1, 2009;

(d) $750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1998, and before January 1, 2000;

(e) $1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000, and before January 1, 2008;

(f) $1,200,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2008, and before July 1, 2009; or

(g) $1,500,000 for any number of claims arising out of a single occurrence, for claims arising on or after July 1, 2009; or

(h) $1,000,000 for any number of claims arising out of a single occurrence, if the claim involves a nonprofit organization engaged in or administering outdoor recreational activities funded in whole or in part by the state or operating under the authorization of a permit issued by an agency or department of the state.

If the amount awarded to or settled upon multiple claimants exceeds the applicable limit under clause (d), (e), (f), (g), or (h), any party may apply to the district court to apportion to each claimant a proper share of the amount available under the applicable limit under clause (d), (e), (f), or (g). The share apportioned to each claimant shall be in the proportion that the ratio of the award or settlement bears to the aggregate awards and settlements for all claims arising out of the occurrence.

The limitation imposed by this subdivision on individual claimants includes damages claimed for loss of services or loss of support arising out of the same tort.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to claims arising from acts or omissions that occur on or after that date.

Sec. 2. Minnesota Statutes 2010, section 466.03, subdivision 6e, is amended to read:

Subd. 6e. Parks and recreation areas. Any claim based upon the construction, operation, or maintenance of any property owned or leased by the municipality that is intended or permitted to be used as a park, as an open area for recreational purposes, or for the provision of recreational services, or from any claim based on the clearing of land, removal of refuse, and creation of trails or paths without artificial surfaces, if the claim arises from a loss incurred by a user of park and recreation property or services. Nothing in this subdivision limits the liability of a municipality for conduct that would entitle a trespasser to damages against a private person, except as provided in subdivision 23.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to causes of action arising on or after that date.
Sec. 3. Minnesota Statutes 2010, section 466.03, is amended by adding a subdivision to read:

Subd. 23. **Recreational use of school property and facilities.** (a) Any claim for a loss or injury arising from the use of school property or a school facility made available for public recreational activity.

(b) Nothing in this subdivision:

(1) limits the liability of a school district for conduct that would entitle a trespasser to damages against a private person; or

(2) reduces any existing duty owed by the school district.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to causes of action arising on or after that date.

Sec. 4. Minnesota Statutes 2010, section 466.04, subdivision 1, is amended to read:

**Subdivision 1. Limits; punitive damages.** (a) Liability of any municipality on any claim within the scope of sections 466.01 to 466.15 shall not exceed:

(1) $300,000 when the claim is one for death by wrongful act or omission and $300,000 to any claimant in any other case, for claims arising before January 1, 2008;

(2) $400,000 when the claim is one for death by wrongful act or omission and $400,000 to any claimant in any other case, for claims arising on or after January 1, 2008, and before July 1, 2009;

(3) $500,000 when the claim is one for death by wrongful act or omission and $500,000 to any claimant in any other case, for claims arising on or after July 1, 2009;

(4) $750,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 1998, and before January 1, 2000;

(5) $1,000,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2000, and before January 1, 2008;

(6) $1,200,000 for any number of claims arising out of a single occurrence, for claims arising on or after January 1, 2008, and before July 1, 2009;

(7) $1,500,000 for any number of claims arising out of a single occurrence, for claims arising on or after July 1, 2009;

(8) twice the limits provided in clauses (1) to (7) when the claim arises out of the release or threatened release of a hazardous substance, whether the claim is brought under sections 115B.01 to 115B.15 or under any other law; or

(9) $1,000,000 for any number of claims arising out of a single occurrence, if the claim involves a nonprofit organization engaged in or administering outdoor recreational activities funded in whole or in part by a municipality or operating under the authorization of a permit issued by a municipality.

(b) No award for damages on any such claim shall include punitive damages.

**EFFECTIVE DATE.** This section is effective the day following final enactment and applies to claims arising from acts or omissions that occur on or after that date.
Sec. 5. Minnesota Statutes 2010, section 466.04, subdivision 3, is amended to read:

Subd. 3. **Disposition of multiple claims.** Where the amount awarded to or settled upon multiple claimants exceeds the applicable limit under subdivision 1, paragraph (a), clauses (2) to (4) to (9), any party may apply to any district court to apportion to each claimant a proper share of the total amount limited by subdivision 1. The share apportioned each claimant shall be in the proportion that the ratio of the award or settlement made to each bears to the aggregate awards and settlements for all claims arising out of the occurrence.

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

Sec. 6. Minnesota Statutes 2010, section 491A.01, subdivision 3, is amended to read:

Subd. 3. **Jurisdiction; general.** (a) Except as provided in subdivisions 4 and 5, the conciliation court has jurisdiction to hear, conciliate, try, and determine civil claims if the amount of money or property that is the subject matter of the claim does not exceed: (1) $7,500; (2) $4,000, $10,000 or $5,000 if the claim involves a consumer credit transaction; or (2) (2) $15,000, if the claim involves money or personal property subject to forfeiture under section 609.5311, 609.5312, 609.5314, or 609.5318. "Consumer credit transaction" means a sale of personal property, or a loan arranged to facilitate the purchase of personal property, in which:

(1) credit is granted by a seller or a lender who regularly engages as a seller or lender in credit transactions of the same kind;

(2) the buyer is a natural person;

(3) the claimant is the seller or lender in the transaction; and

(4) the personal property is purchased primarily for a personal, family, or household purpose and not for a commercial, agricultural, or business purpose.

(b) Except as otherwise provided in this subdivision and subdivisions 5 to 10, the territorial jurisdiction of conciliation court is coextensive with the county in which the court is established. The summons in a conciliation court action under subdivisions 6 to 10 may be served anywhere in the state, and the summons in a conciliation court action under subdivision 7, paragraph (b), may be served outside the state in the manner provided by law. The court administrator shall serve the summons in a conciliation court action by first class mail, except that if the amount of money or property that is the subject of the claim exceeds $2,500, the summons must be served by the plaintiff by certified mail, and service on nonresident defendants must be made in accordance with applicable law or rule. Subpoenas to secure the attendance of nonparty witnesses and the production of documents at trial may be served anywhere within the state in the manner provided by law.

When a court administrator is required to summon the defendant by certified mail under this paragraph, the summons may be made by personal service in the manner provided in the Rules of Civil Procedure for personal service of a summons of the district court as an alternative to service by certified mail.

**EFFECTIVE DATE.** This section is effective August 1, 2011, and applies to orders issued on or after that date.

Sec. 7. **[540.19] CLASS ACTIONS; INTERLOCUTORY APPEAL.**

A court order certifying a class action, refusing to certify a class action, or denying a motion to decertify a class action is appealable as a matter of right. While an appeal under this subdivision is pending, all discovery and other proceedings in the district court are automatically stayed, except that upon the motion of a party the district court may lift the stay, in whole or in part, for good cause shown.

**EFFECTIVE DATE.** This section is effective July 1, 2011, and applies to orders issued on or after that date.
Sec. 8. Minnesota Statutes 2010, section 541.05, subdivision 1, is amended to read:

Subdivision 1. Six-year Four-year limitation; exceptions. (a) Except as provided in paragraph (c) or (d), and where the Uniform Commercial Code otherwise prescribes, the following actions shall be commenced within six years:

(1) upon a contract or other obligation, express or implied, as to which no other limitation is expressly prescribed;

(2) upon a liability created by statute, other than those arising upon a penalty or forfeiture or where a shorter period is provided by section 541.07;

(3) for a trespass upon real estate;

(4) for taking, detaining, or injuring personal property, including actions for the specific recovery thereof;

(5) for criminal conversation, or for any other injury to the person or rights of another, not arising on contract, and not hereinafter enumerated;

(6) for relief on the ground of fraud, in which case the cause of action shall not be deemed to have accrued until the discovery by the aggrieved party of the facts constituting the fraud;

(7) to enforce a trust or compel a trustee to account, where the trustee has neglected to discharge the trust, or claims to have fully performed it, or has repudiated the trust relation;

(8) against sureties upon the official bond of any public officer, whether of the state or of any county, town, school district, or a municipality therein; in which case the limitation shall not begin to run until the term of such officer for which the bond was given shall have expired; or

(b) An action upon a contract or other obligation, express or implied, as to which no other limitation is expressly prescribed shall be commenced within six years.

(c) An action for assault, battery, false imprisonment, or other tort resulting in personal injury, shall be commenced within six years if the conduct that gives rise to the cause of action also constitutes domestic abuse as defined in section 518B.01.

(d) Except for actions commenced pursuant to paragraph (a), clause (5), and paragraph (b), the limitation period for actions contained in this subdivision shall not begin to run until the time at which a reasonable person in the plaintiff's position would know the fact of the injury, and that the injury was caused by the alleged conduct of the defendant. There is an absolute limit of six years from the date the cause of action accrued in which to commence an action.

(e) Except for actions commenced pursuant to paragraph (a), clause (5), no cause of action may in any extent be commenced after six years from the date the cause of action accrues.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to causes of action arising from incidents occurring on or after that date.
Sec. 9. Minnesota Statutes 2010, section 549.09, subdivision 1, is amended to read:

Subdivision 1. When owed; rate. (a) When a judgment or award is for the recovery of money, including a judgment for the recovery of taxes, interest from the time of the verdict, award, or report until judgment is finally entered shall be computed by the court administrator or arbitrator as provided in paragraph (c) and added to the judgment or award.

(b) Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest on pecuniary damages shall be computed as provided in paragraph (c) from the time of the commencement of the action or a demand for arbitration, or the time of a written notice of claim, whichever occurs first, except as provided herein. The action must be commenced within two years of a written notice of claim for interest to begin to accrue from the time of the notice of claim. If either party serves a written offer of settlement, the other party may serve a written acceptance or a written counteroffer within 30 days. After that time, interest on the judgment or award shall be calculated by the judge or arbitrator in the following manner. The prevailing party shall receive interest on any judgment or award from the time of commencement of the action or a demand for arbitration, or the time of a written notice of claim, or as to special damages from the time when special damages were incurred, if later, until the time of verdict, award, or report only if the amount of its offer is closer to the judgment or award than the amount of the opposing party's offer. If the amount of the losing party's offer was closer to the judgment or award than the prevailing party's offer, the prevailing party shall receive interest only on the amount of the settlement offer or the judgment or award, whichever is less, and only from the time of commencement of the action or a demand for arbitration, or the time of a written notice of claim, or as to special damages from when the special damages were incurred, if later, until the time the settlement offer was made. Subsequent offers and counteroffers supersede the legal effect of earlier offers and counteroffers. For the purposes of clause (2), the amount of settlement offer must be allocated between past and future damages in the same proportion as determined by the trier of fact. Except as otherwise provided by contract or allowed by law, preverdict, preaward, or prereport interest shall not be awarded on the following:

(1) judgments, awards, or benefits in workers' compensation cases, but not including third-party actions;

(2) judgments or awards for future damages;

(3) punitive damages, fines, or other damages that are noncompensatory in nature;

(4) judgments or awards not in excess of the amount specified in section 491A.01; and

(5) that portion of any verdict, award, or report which is founded upon interest, or costs, disbursements, attorney fees, or other similar items added by the court or arbitrator.

(c)(1) For a judgment or award of $50,000 or less or a judgment or award for or against the state or a political subdivision of the state, regardless of the amount, the rate of interest shall be based on the secondary market yield of one year United States Treasury bills, calculated on a bank discount basis as provided in this section.

On or before the 20th day of December of each odd-numbered year the state court administrator shall determine the rate from the one-year constant maturity treasury yield for the most recent calendar month, reported on a monthly basis in the latest statistical release of the board of governors of the Federal Reserve System. This yield plus eight percentage points if the judgment or award is over $50,000, rounded to the nearest one percent, or four percent, whichever is greater, shall be the annual interest rate for verdicts entered during the succeeding calendar year two calendar years. The state court administrator shall communicate the interest rates to the court administrators and sheriffs for use in computing the interest on verdicts and shall make the interest rates available to arbitrators.
This clause applies to any section that references section 549.09 by citation for the purposes of computing an interest rate on any amount owed to or by the state or a political subdivision of the state, regardless of the amount.

(2) For a judgment or award over $50,000, other than a judgment or award for or against the state or a political subdivision of the state, the interest rate shall be ten percent per year until paid.

(2a) When a judgment creditor, or the judgment creditor's attorney or agent, has received a payment after entry of judgment, whether the payment is made voluntarily by or on behalf of the judgment debtor, or is collected by legal process other than execution levy where a proper return has been filed with the court administrator, the judgment creditor, or the judgment creditor's attorney, before applying to the court administrator for an execution shall file with the court administrator an affidavit of partial satisfaction. The affidavit must state the dates and amounts of payments made upon the judgment after the most recent affidavit of partial satisfaction filed, if any; the part of each payment that is applied to taxable disbursements and to accrued interest and to the unpaid principal balance of the judgment; and the accrued, but the unpaid interest owing, if any, after application of each payment.

(d) This section does not apply to arbitrations between employers and employees under chapter 179 or 179A. An arbitrator is neither required to nor prohibited from awarding interest under chapter 179 or under section 179A.16 for essential employees.

(e) For purposes of this subdivision:

(1) "state" includes a department, board, agency, commission, court, or other entity in the executive, legislative, or judicial branch of the state; and

(2) "political subdivision" includes a town, statutory or home rule charter city, county, school district, or any other political subdivision of the state.

(e) This section does not apply to a judgment or award upon which interest is entitled to be recovered under section 60A.0811.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to judgments and awards entered on or after that date.

Sec. 10. [549.255] ATTORNEY FEE AWARDS.

Subdivision 1. Reasonable relation of fees to damages. When a statute provides for the award of attorney fees to a party that has recovered money damages, the court, in setting the amount of attorney fees, must, in addition to other factors, take into consideration the reasonableness of the attorney fees sought in relation to the amount of damages awarded to the prevailing party.

Subd. 2. Offer of judgment. If an offer of judgment is made by a party under Rule 68 of the Rules of Civil Procedure to a party who claims money damages pursuant, in whole or in part, to a statute that provides for the award of attorney fees, and the party claiming attorney fees does not obtain a verdict in excess of the offer, exclusive of attorney fees, no attorney fees may be awarded for fees incurred after service of the offer of judgment. The party that rejects an offer of judgment must disclose the attorney fees it has incurred as of the date of the service of the offer of judgment within the time period provided by Rule 68 for the acceptance of an offer of judgment.

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to actions commenced on or after that date.
Sec. 11. [609.3244] CIVIL LIABILITY.

(a) A sex trafficking victim may bring a cause of action against a person who violates section 609.322. The court may award damages, including punitive damages, reasonable attorney fees, and other litigation costs reasonably incurred by the victim.

(b) The rules of evidence set out in section 611A.83 apply to a cause of action under this section. The evidentiary protections provided by this paragraph do not apply to any subsequent prosecution of a violent crime, as defined in section 609.1095, subdivision 1, paragraph (d).

EFFECTIVE DATE. This section is effective August 1, 2011, and applies to causes of action commenced on or after that date.

Delete the title and insert:

"A bill for an act relating to civil actions; modifying liability limits for certain tort claims against the state and political subdivisions; regulating certain conciliation court claims; providing a right of appeal on certain class action orders; modifying the statute of limitations on certain claims; modifying prejudgment interest; regulating attorney fees; providing a cause of action for sex trafficking violations; amending Minnesota Statutes 2010, sections 3.736, subdivision 4; 466.03, subdivision 6e, by adding a subdivision; 466.04, subdivisions 1, 3; 491A.01, subdivision 3; 541.05, subdivision 1; 549.09, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 540; 549; 609."

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.

Lanning from the Committee on State Government Finance to which was referred:

H. F. No. 418, A bill for an act relating to state government; proposing the Back Office Consolidation Act; centralizing accounting, financial reporting, procurement, fleet services, human resources, and payroll functions in the Department of Administration; proposing coding for new law in Minnesota Statutes, chapter 16B.

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

The report was adopted.

Lanning from the Committee on State Government Finance to which was referred:

H. F. No. 545, A bill for an act relating to state government; requiring state budget documents to include federal insolvency contingency planning; amending Minnesota Statutes 2010, section 16A.10, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 8, delete "insolvency" and insert "funding"
Amend the title as follows:

Page 1, line 3, delete "insolvency" and insert "funding"

With the recommendation that when so amended the bill pass.

The report was adopted.

Holberg from the Committee on Ways and Means to which was referred:

H. F. No. 650, A bill for an act relating to transportation; regulating driver education and driver examination related to carbon monoxide poisoning; making technical changes; amending Minnesota Statutes 2010, sections 171.0701; 171.13, subdivision 1, by adding a subdivision.

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.

Holberg from the Committee on Ways and Means to which was referred:

H. F. No. 984, A bill for an act relating to game and fish; modifying aquaculture provisions; modifying compensation and assistance provisions for crop damage by elk; modifying requirements for fish and wildlife management plans; modifying provisions for taking, possessing, and transporting wild animals; modifying certain acquisition procedures; modifying penalty and license provisions; modifying duties of the Board of Water and Soil Resources; limiting landowner liability for state walk-in access program; requiring rulemaking; providing criminal penalties; amending Minnesota Statutes 2010, sections 3.7371, subdivisions 1, 3; 17.4982, subdivisions 8, 12, 13, by adding a subdivision; 17.4991, subdivision 3; 17.4994; 84.942, subdivision 1; 84.95, subdivision 2; 84D.11, subdivision 2a; 97A.015, subdivisions 24, 49, 52, 55; 97A.028, subdivision 3; 97A.101, subdivision 3; 97A.311, subdivision 5; 97A.321, subdivision 1; 97A.331, by adding a subdivision; 97A.405, subdivision 2; 97A.415, subdivision 2; 97A.425, subdivision 3; 97A.433, by adding a subdivision; 97A.435, subdivision 1; 97A.445, subdivision 1a; 97A.465, subdivision 5; 97A.475, subdivision 7; 97A.502; 97A.505, subdivision 2; 97A.545, subdivision 5; 97B.022, subdivision 2; 97B.031, subdivision 5; 97B.041; 97B.055, subdivision 3; 97B.075; 97B.106, subdivision 1; 97B.211, subdivision 1; 97B.325; 97B.405; 97B.515, by adding a subdivision; 97B.667; 97B.803; 97B.811, subdivision 3; 97C.005, subdivision 3; 97C.081, subdivision 3, by adding a subdivision; 97C.087, subdivision 2; 97C.205; 97C.315, subdivision 1; 97C.341; 103B.101, subdivision 9; 604A.24; proposing coding for new law in Minnesota Statutes, chapters 17; 97B; 97C; 348; repealing Minnesota Statutes 2010, sections 84.942, subdivisions 2, 3, 4; 97A.015, subdivisions 26b, 27b, 27c; 97A.435, subdivision 5; 97B.511; 97B.515, subdivision 3; 97B.811, subdivision 4; 97C.081, subdivision 2.

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

The report was adopted.
Holberg from the Committee on Ways and Means to which was referred:

H. F. No. 1362, A bill for an act relating to workers' compensation; adopting recommendations of the Workers' Compensation Advisory Council; changing certain duties, benefits, and requirements; requiring rulemaking; appropriating money; amending Minnesota Statutes 2010, sections 14.48, subdivisions 2, 3; 14.49; 14.50; 176.106, subdivisions 1, 3, 5, 6, 7, 8, 9; 176.137, subdivisions 2, 4, 5; 176.238, subdivision 6; 176.305, subdivisions 1, 1a; 176.307; 176.341, subdivision 4.

Reported the same back with the following amendments:

Page 6, line 32, strike "$60,000" and insert "$75,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1423, A bill for an act relating to human services; providing for adoption assistance reform; proposing coding for new law as Minnesota Statutes, chapter 259A.

Reported the same back with the following amendments:

Page 1, after line 5, insert:

"ARTICLE 1
ADOPTION ASSISTANCE"

Page 23, after line 11, insert:

"ARTICLE 2
CHILD PROTECTION"

Section 1. Minnesota Statutes 2010, section 260.012, is amended to read:

260.012 DUTY TO ENSURE PLACEMENT PREVENTION AND FAMILY REUNIFICATION; REASONABLE EFFORTS.

(a) Once a child alleged to be in need of protection or services is under the court's jurisdiction, the court shall ensure that reasonable efforts, including culturally appropriate services, by the social services agency are made to prevent placement or to eliminate the need for removal and to reunite the child with the child's family at the earliest possible time, and the court must ensure that the responsible social services agency makes reasonable efforts to finalize an alternative permanent plan for the child as provided in paragraph (e). In determining reasonable efforts to be made with respect to a child and in making those reasonable efforts, the child's best interests, health, and safety must be of paramount concern. Reasonable efforts to prevent placement and for rehabilitation and reunification are always required except upon a determination by the court that a petition has been filed stating a prima facie case that:

(1) the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;
(2) the parental rights of the parent to another child have been terminated involuntarily;

(3) the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);

(4) the parent's custodial rights to another child have been involuntarily transferred to a relative under section 260C.201, subdivision 11, paragraph (d), clause (1), or a similar law of another jurisdiction; or

(5) the parent has committed sexual abuse as defined in section 626.556, subdivision 2, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable under the circumstances.

(b) When the court makes one of the prima facie determinations under paragraph (a), either permanency pleadings under section 260C.201, subdivision 11, or a termination of parental rights petition under sections 260C.141 and 260C.301 must be filed. A permanency hearing under section 260C.201, subdivision 11, must be held within 30 days of this determination.

(c) In the case of an Indian child, in proceedings under sections 260B.178 or 260C.178, 260C.201, and 260C.301 the juvenile court must make findings and conclusions consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901 et seq., as to the provision of active efforts. In cases governed by the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, the responsible social services agency must provide active efforts as required under United States Code, title 25, section 1911(d).

(d) "Reasonable efforts to prevent placement" means:

(1) the agency has made reasonable efforts to prevent the placement of the child in foster care by working with the family to develop and implement a safety plan; or

(2) given the particular circumstances of the child and family at the time of the child’s removal, there are no services or efforts available which could allow the child to safely remain in the home.

(e) "Reasonable efforts to finalize a permanent plan for the child” means due diligence by the responsible social services agency to:

(1) reunify the child with the parent or guardian from whom the child was removed;

(2) assess a noncustodial parent’s ability to provide day-to-day care for the child and, where appropriate, provide services necessary to enable the noncustodial parent to safely provide the care, as required by section 260C.212, subdivision 4;

(3) conduct a relative search to identify and provide notice to adult relatives as required under section 260C.212, subdivision 5;

(4) place siblings removed from their home in the same home for foster care or adoption, or transfer permanent legal and physical custody to a relative. Visitation between siblings who are not in the same foster care, adoption, or custodial placement or facility shall be consistent with section 260C.212, subdivision 2; and
(5) when the child cannot return to the parent or guardian from whom the child was removed, to plan for and finalize a safe and legally permanent alternative home for the child, and considers permanent alternative homes for the child inside or outside of the state, preferably through adoption or transfer of permanent legal and physical custody of the child.

(f) Reasonable efforts are made upon the exercise of due diligence by the responsible social services agency to use culturally appropriate and available services to meet the needs of the child and the child's family. Services may include those provided by the responsible social services agency and other culturally appropriate services available in the community. At each stage of the proceedings where the court is required to review the appropriateness of the responsible social services agency's reasonable efforts as described in paragraphs (a), (d), and (e), the social services agency has the burden of demonstrating that:

(1) it has made reasonable efforts to prevent placement of the child in foster care;

(2) it has made reasonable efforts to eliminate the need for removal of the child from the child's home and to reunify the child with the child's family at the earliest possible time;

(3) it has made reasonable efforts to finalize an alternative permanent home for the child, and considers permanent alternative homes for the child inside or outside of the state; or

(4) reasonable efforts to prevent placement and to reunify the child with the parent or guardian are not required. The agency may meet this burden by stating facts in a sworn petition filed under section 260C.141, by filing an affidavit summarizing the agency's reasonable efforts or facts the agency believes demonstrate there is no need for reasonable efforts to reunify the parent and child, or through testimony or a certified report required under juvenile court rules.

(g) Once the court determines that reasonable efforts for reunification are not required because the court has made one of the prima facie determinations under paragraph (a), the court may only require reasonable efforts for reunification after a hearing according to section 260C.163, where the court finds there is not clear and convincing evidence of the facts upon which the court based its prima facie determination. In this case when there is clear and convincing evidence that the child is in need of protection or services, the court may find the child in need of protection or services and order any of the dispositions available under section 260C.201, subdivision 1. Reunification of a surviving child with a parent is not required if the parent has been convicted of:

(1) a violation of, or an attempt or conspiracy to commit a violation of, sections 609.185 to 609.20; 609.222, subdivision 2; or 609.223 in regard to another child of the parent;

(2) a violation of section 609.222, subdivision 2; or 609.223, in regard to the surviving child; or

(3) a violation of, or an attempt or conspiracy to commit a violation of, United States Code, title 18, section 1111(a) or 1112(a), in regard to another child of the parent;

(4) committing sexual abuse as defined in section 626.556, subdivision 2, against the child or another child of the parent; or

(5) an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b).

(h) The juvenile court, in proceedings under sections 260B.178 or 260C.178, 260C.201, and 260C.301 shall make findings and conclusions as to the provision of reasonable efforts. When determining whether reasonable efforts have been made, the court shall consider whether services to the child and family were:
(1) relevant to the safety and protection of the child;

(2) adequate to meet the needs of the child and family;

(3) culturally appropriate;

(4) available and accessible;

(5) consistent and timely; and

(6) realistic under the circumstances.

In the alternative, the court may determine that provision of services or further services for the purpose of rehabilitation is futile and therefore unreasonable under the circumstances or that reasonable efforts are not required as provided in paragraph (a).

(i) This section does not prevent out-of-home placement for treatment of a child with a mental disability when it is determined to be medically necessary as a result of the child's diagnostic assessment or individual treatment plan indicates that appropriate and necessary treatment cannot be effectively provided outside of a residential or inpatient treatment program and the level or intensity of supervision and treatment cannot be effectively and safely provided in the child's home or community and it is determined that a residential treatment setting is the least restrictive setting that is appropriate to the needs of the child.

(j) If continuation of reasonable efforts to prevent placement or reunify the child with the parent or guardian from whom the child was removed is determined by the court to be inconsistent with the permanent plan for the child or upon the court making one of the prima facie determinations under paragraph (a), reasonable efforts must be made to place the child in a timely manner in a safe and permanent home and to complete whatever steps are necessary to legally finalize the permanent placement of the child.

(k) Reasonable efforts to place a child for adoption or in another permanent placement may be made concurrently with reasonable efforts to prevent placement or to reunify the child with the parent or guardian from whom the child was removed. When the responsible social services agency decides to concurrently make reasonable efforts for both reunification and permanent placement away from the parent under paragraph (a), the agency shall disclose its decision and both plans for concurrent reasonable efforts to all parties and the court. When the agency discloses its decision to proceed on both plans for reunification and permanent placement away from the parent, the court's review of the agency's reasonable efforts shall include the agency's efforts under both plans.

Sec. 2. Minnesota Statutes 2010, section 260C.001, is amended to read:

260C.001 TITLE, INTENT, AND CONSTRUCTION.

Subdivision 1. Citation; scope. (a) Sections 260C.001 to 260C.451 260C.521 may be cited as the child protection provisions of the Juvenile Court Act.

(b) Juvenile protection proceedings include:

(1) a child in need of protection or services matters;

(2) permanency matters, including termination of parental rights;

(3) postpermanency reviews under section 260C.521; and
(4) adoption matters including posttermination of parental rights proceedings that review the responsible social services agency's reasonable efforts to finalize adoption.

Subd. 2. Child in need of Juvenile protection services proceedings. (a) The paramount consideration in all juvenile protection proceedings concerning a child alleged or found to be in need of protection or services is the health, safety, and best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923.

(b) The purpose of the laws relating to juvenile courts protection proceedings is:

(1) to secure for each child alleged or adjudicated in need of protection or services and under the jurisdiction of the court, the care and guidance, preferably in the child's own home, as will best serve the spiritual, emotional, mental, and physical welfare of the child;

(2) to provide judicial procedures which protect the welfare of the child;

(3) to preserve and strengthen the child's family ties whenever possible and in the child's best interests, removing the child from the custody of parents only when the child's welfare or safety cannot be adequately safeguarded without removal;

(4) to ensure that when removal from the child's own family is necessary and in the child's best interests, the responsible social services agency has legal responsibility for the child removal either:

(i) pursuant to a voluntary placement agreement between the child's parent or guardian or the child, when the child is over age 18, and the responsible social services agency; or

(ii) by court order pursuant to section 260C.151, subdivision 6; 260C.178; 260C.201; 260C.325; or 260C.515;

(5) to ensure that, when placement is pursuant to court order, the court order removing the child or continuing the child in foster care contains an individualized determination that placement is in the best interests of the child that coincides with the actual removal of the child; and

(6) to ensure that when the child is removed, the child's care and discipline is, as nearly as possible, equivalent to that which should have been given by the parents and is either in:

(i) the home of a noncustodial parent pursuant to section 260C.178 or 260C.201, subdivision 1, paragraph (a), clause (1);

(ii) the home of a relative pursuant to emergency placement by the responsible social services agency under chapter 245A; or

(iii) a foster home care licensed under chapter 245A; and

(7) to ensure appropriate permanency planning for children in foster care including:

(i) unless reunification is not required under section 260.012, developing a permanency plan for the child that includes a primary plan for reunification with the child's parent or guardian and a secondary plan for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner;
(ii) identifying, locating, and assessing both parents of the child as soon as possible and offering reunification services to both parents of the child as required under sections 260.012 and 260C.219;

(iii) identifying, locating, and notifying relatives of both parents of the child according to section 260.221;

(iv) making a placement with a family that will commit to being the legally permanent home for the child in the event reunification cannot occur at the earliest possible time while at the same time actively supporting the reunification plan; and

(v) returning the child home with supports and services, as soon as return is safe for the child, or when safe return cannot be timely achieved, moving to finalize another legally permanent home for the child.

Subd. 3. Permanency and, termination of parental rights, and adoption. The purpose of the laws relating to permanency and, termination of parental rights, and adoption of a child who comes under the guardianship of the commissioner of human services is to ensure that:

(1) when required and appropriate, reasonable efforts have been made by the social services agency to reunite the child with the child’s parents in a home that is safe and permanent; and

(2) if placement with the parents is not reasonably foreseeable, to secure for the child a safe and permanent placement according to the requirements of section 260C.212, subdivision 2, preferably with adoptive parents or, if that is not possible or in the best interests of the child, a fit and willing relative through transfer of permanent legal and physical custody to that relative; and

(3) when a child is under the guardianship of the commissioner of human services, reasonable efforts are made to finalize an adoptive home for the child in a timely manner.

Nothing in this section requires reasonable efforts to prevent placement or to reunify the child with the parent or guardian to be made in circumstances where the court has determined that the child has been subjected to egregious harm, when the child is an abandoned infant, the parent has involuntarily lost custody of another child through a proceeding under section 260C.201, subdivision 11, 260C.515, subdivision 4, or similar law of another state, the parental rights of the parent to a sibling have been involuntarily terminated, or the court has determined that reasonable efforts or further reasonable efforts to reunify the child with the parent or guardian would be futile.

The paramount consideration in all proceedings for permanent placement of the child under section 260C.201, subdivision 11, sections 260C.503 to 260C.521, or the termination of parental rights is the best interests of the child. In proceedings involving an American Indian child, as defined in section 260.755, subdivision 8, the best interests of the child must be determined consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1901, et seq.

Subd. 4. Construction. The laws relating to the child protection provisions of the juvenile court protection proceedings shall be liberally construed to carry out these purposes.

Sec. 3. Minnesota Statutes 2010, section 260C.007, subdivision 4, is amended to read:

Subd. 4. Child. "Child" means an individual under 18 years of age. For purposes of this chapter and chapter 260D, child also includes individuals under age 21 who are in foster care pursuant to section 260C.451.

Sec. 4. Minnesota Statutes 2010, section 260C.007, is amended by adding a subdivision to read:

Subd. 26a. Putative father. "Putative father" has the meaning given in section 259.21, subdivision 12.
Sec. 5. Minnesota Statutes 2010, section 260C.007, is amended by adding a subdivision to read:

Subd. 27a. **Responsible social services agency.** "Responsible social services agency" means the county social services agency that has responsibility for public child welfare and child protection services and includes the provision of adoption services as an agent of the commissioner of human services.

Sec. 6. Minnesota Statutes 2010, section 260C.007, is amended by adding a subdivision to read:

Subd. 31. **Sibling.** "Sibling" means one of two or more individuals who have one or both parents in common through blood, marriage, or adoption including siblings as defined by the child's tribal code or custom.

Sec. 7. Minnesota Statutes 2010, section 260C.101, subdivision 2, is amended to read:

Subd. 2. **Other matters relating to children.** Except as provided in clause (4), the juvenile court has original and exclusive jurisdiction in proceedings concerning:

(1) the termination of parental rights to a child in accordance with the provisions of sections 260C.301 to 260C.328;

(2) permanency matters under sections 260C.503 to 260C.521;

(3) the appointment and removal of a juvenile court guardian for a child, where parental rights have been terminated under the provisions of sections 260C.301 to 260C.328;

(4) judicial consent to the marriage of a child when required by law;

(4) the juvenile court in those counties in which the judge of the probate juvenile court has been admitted to the practice of law in this state shall proceed under the laws relating to adoptions in all adoption matters. In those counties in which the judge of the probate juvenile court has not been admitted to the practice of law in this state the district court shall proceed under the laws relating to adoptions in

(5) all adoption matters and review of the efforts to finalize the adoption of the child;

(5) the review of the placement of a child who is in foster care pursuant to a voluntary placement agreement between the child's parent or parents and the responsible social services agency under section 260C.212, subdivision 8 or 260C.227; or between the child, when the child is over age 18, and the agency under section 260C.229; and

(6) the review of voluntary foster care placement of a child for treatment under chapter 260D according to the review requirements of that chapter.

Sec. 8. Minnesota Statutes 2010, section 260C.150, subdivision 1, is amended to read:

Subdivision 1. **Determining parentage.** (a) A parent and child relationship may be established under this chapter according to the requirements of section 257.54 and the Minnesota Rules of Juvenile Protection Procedure. The requirements of the Minnesota Parentage Act must be followed unless otherwise specified in this section.

(b) An action to commence a parent and child relationship under this chapter must be commenced by motion, which shall be personally served upon the alleged parent and served upon the required parties under the Minnesota Parentage Act as provided for service of motions in the Minnesota Rules of Juvenile Protection Procedure. The motion shall be brought in an existing juvenile protection proceeding and may be brought by any party, a putative father, or the county attorney representing the responsible social services agency.
(c) Notwithstanding any other provisions of law, a motion to establish parentage under this section, and any related documents or orders, are not confidential and are accessible to the public according to the provisions of the Minnesota Rules of Juvenile Protection Procedure. Any hearings related to establishment of paternity under this section are accessible to the public according to the Minnesota Rules of Juvenile Protection Procedure.

(d) The court may order genetic testing of any putative father or any man presumed to be father of a child who is the subject of a juvenile protection matter unless paternity has already been adjudicated under the Minnesota Parentage Act or a recognition of parentage has been fully executed and filed under section 257.75 when the recognition of parentage has the force and effect of a judgment or order determining the existence of the parent and child relationship under section 257.66. If a genetic testing is ordered, a positive genetic test pursuant to section 257.62, subdivision 5, is required to establish paternity for a child under this chapter.

(e) A copy of the order establishing the parent and child relationship shall be filed in family court. Any further proceedings for modification of the child support portion of the order that establishes the parent and child relationship shall be brought in the family court of the county where the original order was filed. The review shall be under chapters 518 and 518A. Notice of any family court proceedings shall be provided by the court administrator to the responsible social services agency, which shall be a party to the family court proceeding.

Sec. 9. Minnesota Statutes 2010, section 260C.157, subdivision 1, is amended to read:

Subdivision 1. Investigation. Upon request of the court the responsible social services agency or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260C.101 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

Adoption investigations shall be conducted in accordance with the laws relating to adoptions in chapter 259. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts.

Sec. 10. Minnesota Statutes 2010, section 260C.157, subdivision 3, is amended to read:

Subd. 3. Juvenile treatment screening team. (a) The responsible social services agency shall establish a juvenile treatment screening team to conduct screenings and prepare case plans under this subdivision section 245.487, subdivision 3, and chapters 260C and 260D. Screenings shall be conducted within 15 days of a request for a screening. The team, which may be the team constituted under section 245.4885 or 256B.092 or Minnesota Rules, parts 9530.6600 to 9530.6655, shall consist of social workers, juvenile justice professionals, and persons with expertise in the treatment of juveniles who are emotionally disabled, chemically dependent, or have a developmental disability. The team shall involve parents or guardians in the screening process as appropriate, and the child's parent, guardian, or permanent legal custodian under section 260C.201, subdivision 11. The team may be the same team as defined in section 260B.157, subdivision 3.

(b) The social services agency shall determine whether a child brought to its attention for the purposes described in this section is an Indian child, as defined in section 260C.007, subdivision 21, and shall determine the identity of the Indian child's tribe, as defined in section 260C.007, subdivision 9. When a child to be evaluated is an Indian child, the team provided in paragraph (a) shall include a designated representative of the Indian child's tribe, unless the child's tribal authority declines to appoint a representative. The Indian child's tribe may delegate its authority to represent the child to any other federally recognized Indian tribe, as defined in section 260.755, subdivision 12.
(c) If the court, prior to, or as part of, a final disposition, proposes to place a child:

(1) for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency in a residential treatment facility out of state or in one which is within the state and licensed by the commissioner of human services under chapter 245A; or

(2) in any out-of-home setting potentially exceeding 30 days in duration, including a postdispositional placement in a facility licensed by the commissioner of corrections or human services, the court shall ascertain whether the child is an Indian child and shall notify the county welfare agency and, if the child is an Indian child, shall notify the Indian child's tribe. The county's juvenile treatment screening team must either: (i) screen and evaluate the child and file its recommendations with the court within 14 days of receipt of the notice; or (ii) elect not to screen a given case and notify the court of that decision within three working days.

(d) If the screening team has elected to screen and evaluate the child. The child may not be placed for the primary purpose of treatment for an emotional disturbance, a developmental disability, or chemical dependency, in a residential treatment facility out of state nor in a residential treatment facility within the state that is licensed under chapter 245A, unless one of the following conditions applies:

(1) a treatment professional certifies that an emergency requires the placement of the child in a facility within the state;

(2) the screening team has evaluated the child and recommended that a residential placement is necessary to meet the child's treatment needs and the safety needs of the community, that it is a cost-effective means of meeting the treatment needs, and that it will be of therapeutic value to the child; or

(3) the court, having reviewed a screening team recommendation against placement, determines to the contrary that a residential placement is necessary. The court shall state the reasons for its determination in writing, on the record, and shall respond specifically to the findings and recommendation of the screening team in explaining why the recommendation was rejected. The attorney representing the child and the prosecuting attorney shall be afforded an opportunity to be heard on the matter.

(e) When the county's juvenile treatment screening team has elected to screen and evaluate a child determined to be an Indian child, the team shall provide notice to the tribe or tribes that accept jurisdiction for the Indian child or that recognize the child as a member of the tribe or as a person eligible for membership in the tribe, and permit the tribe's representative to participate in the screening team.

(f) When the Indian child's tribe or tribal health care services provider or Indian Health Services provider proposes to place a child for the primary purpose of treatment for an emotional disturbance, a developmental disability, or co-occurring emotional disturbance and chemical dependency, the Indian child's tribe or the tribe delegated by the child's tribe shall submit necessary documentation to the county juvenile treatment screening team, which must invite the Indian child's tribe to designate a representative to the screening team.

**EFFECTIVE DATE.** This section is effective August 1, 2011.

Sec. 11. Minnesota Statutes 2010, section 260C.163, subdivision 1, is amended to read:

Subdivision 1. **General.** (a) Except for hearings arising under section 260C.425, hearings on any matter shall be without a jury and may be conducted in an informal manner. In all adjudicatory proceedings involving a child alleged to be in need of protection or services regarding juvenile protection matters under this chapter, the court shall admit only evidence that would be admissible in a civil trial. To be proved at trial, allegations of a petition alleging a child to be in need of protection or services must be proved by clear and convincing evidence.
(b) Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260C.001 to 260C.421 this chapter.

(c) Absent exceptional circumstances, hearings under this chapter, except hearings in adoption proceedings, are presumed to be accessible to the public, however the court may close any hearing and the records related to any matter as provided in the Minnesota Rules of Juvenile Protection Procedure.

(d) Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions are closed to the public and all records related to an adoption are inaccessible except as provided in the Minnesota Rules of Adoption Procedure.

(e) In any permanency hearing, including the transition of a child from foster care to independent living, the court shall ensure that its consult with the child during the hearing is in an age-appropriate manner.

Sec. 12. Minnesota Statutes 2010, section 260C.163, subdivision 4, is amended to read:

Subd. 4. County attorney. Except in adoption proceedings, the county attorney shall present the evidence upon request of the court. In representing the responsible social services agency, the county attorney shall also have the responsibility for advancing the public interest in the welfare of the child.

Sec. 13. Minnesota Statutes 2010, section 260C.163, subdivision 8, is amended to read:

Subd. 8. Rights of parties at hearing. (a) Except in adoption proceedings or review hearings after termination of parental rights, the minor child and the minor's child's parent, guardian, or custodian are entitled to be heard, to present evidence material to the case, and to cross-examine witnesses appearing at the hearing.

(b) A child who is under the guardianship of the commissioner of human services has the right to be consulted in an age-appropriate manner regarding the adoption plan for the child. A child age 16 or over must consent to the adoption.

Sec. 14. Minnesota Statutes 2010, section 260C.178, subdivision 1, is amended to read:

Subdivision 1. Hearing and release requirements. (a) If a child was taken into custody under section 260C.175, subdivision 1, clause (1) or (2), item (ii), the court shall hold a hearing within 72 hours of the time the child was taken into custody, excluding Saturdays, Sundays, and holidays, to determine whether the child should continue in custody.

(b) Unless there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered, the child shall be released to the custody of a parent, guardian, custodian, or other suitable person, subject to reasonable conditions of release including, but not limited to, a requirement that the child undergo a chemical use assessment as provided in section 260C.157, subdivision 1.
(c) If the court determines there is reason to believe that the child would endanger self or others or not return for a court hearing, or that the child's health or welfare would be immediately endangered if returned to the care of the parent or guardian who has custody and from whom the child was removed, the court shall order the child into foster care under the legal responsibility of the responsible social services agency or responsible probation or corrections agency for the purposes of protective care as that term is used in the juvenile court rules or into the home of a noncustodial parent and order the noncustodial parent to comply with any conditions the court determines to be appropriate to the safety and care of the child, including cooperating with paternity establishment proceedings in the case of a man who has not been adjudicated the child's father. The court shall not give the responsible social services legal custody and order a trial home visit at any time prior to adjudication and disposition under section 260C.201, subdivision 1, paragraph (a), clause (3), but may order the child returned to the care of the parent or guardian who has custody and from whom the child was removed and order the parent or guardian to comply with any conditions the court determines to be appropriate to meet the safety, health, and welfare of the child.

(d) In determining whether the child's health or welfare would be immediately endangered, the court shall consider whether the child would reside with a perpetrator of domestic child abuse.

(e) The court, before determining whether a child should be placed in or continue in foster care under the protective care of the responsible agency, shall also make a determination, consistent with section 260.012 as to whether reasonable efforts were made to prevent placement or whether reasonable efforts to prevent placement are not required. In the case of an Indian child, the court shall determine whether active efforts, according to the Indian Child Welfare Act of 1978, United States Code, title 25, section 1912(d), were made to prevent placement. The court shall enter a finding that the responsible social services agency has made reasonable efforts to prevent placement when the agency establishes either:

1. that it has actually provided services or made efforts in an attempt to prevent the child's removal but that such services or efforts have not proven sufficient to permit the child to safely remain in the home; or
2. that there are no services or other efforts that could be made at the time of the hearing that could safely permit the child to remain home or to return home. When reasonable efforts to prevent placement are required and there are services or other efforts that could be ordered which would permit the child to safely return home, the court shall order the child returned to the care of the parent or guardian and the services or efforts put in place to ensure the child's safety. When the court makes a prima facie determination that one of the circumstances under paragraph (g) exists, the court shall determine that reasonable efforts to prevent placement and to return the child to the care of the parent or guardian are not required.

If the court finds the social services agency's preventive or reunification efforts have not been reasonable but further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(f) The court may not order or continue the foster care placement of the child unless the court makes explicit, individualized findings that continued custody of the child by the parent or guardian would be contrary to the welfare of the child and that placement is in the best interest of the child.

(g) At the emergency removal hearing, or at any time during the course of the proceeding, and upon notice and request of the county attorney, the court shall determine whether a petition has been filed stating a prima facie case that:

1. the parent has subjected a child to egregious harm as defined in section 260C.007, subdivision 14;
2. the parental rights of the parent to another child have been involuntarily terminated;
3. the child is an abandoned infant under section 260C.301, subdivision 2, paragraph (a), clause (2);
(4) the parents' custodial rights to another child have been involuntarily transferred to a relative under Minnesota Statutes 2010, section 260C.201, subdivision 11, paragraph (e); section 260C.515, subdivision 4, or a similar law of another jurisdiction; or

(5) the parent has committed sexual abuse as defined in section 626.556, subdivision 2, against the child or another child of the parent;

(6) the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or

(7) the provision of services or further services for the purpose of reunification is futile and therefore unreasonable.

(h) When a petition to terminate parental rights is required under section 260C.301, subdivision 3 or 4, but the county attorney has determined not to proceed with a termination of parental rights petition, and has instead filed a petition to transfer permanent legal and physical custody to a relative under section 260C.201, subdivision 11, 260C.515, subdivision 4, the court shall schedule a permanency hearing within 30 days of the filing of the petition.

(i) If the county attorney has filed a petition under section 260C.307, the court shall schedule a trial under section 260C.163 within 90 days of the filing of the petition except when the county attorney determines that the criminal case shall proceed to trial first under section 260C.201, subdivision 3, 260C.503, subdivision 2, paragraph (c).

(j) If the court determines the child should be ordered into foster care and the child's parent refuses to give information to the responsible social services agency regarding the child's father or relatives of the child, the court may order the parent to disclose the names, addresses, telephone numbers, and other identifying information to the responsible social services agency for the purpose of complying with the requirements of sections 260C.151, 260C.212, and 260C.215.

(k) If a child ordered into foster care has siblings, whether full, half, or step, who are also ordered into foster care, the court shall inquire of the responsible social services agency of the efforts to place the children together as required by section 260C.212, subdivision 2, paragraph (d), if placement together is in each child's best interests, unless a child is in placement for treatment or a child is placed with a previously noncustodial parent who is not a parent to all siblings. If the children are not placed together at the time of the hearing, the court shall inquire at each subsequent hearing of the agency's reasonable efforts to place the siblings together, as required under section 260.012. If any sibling is not placed with another sibling or siblings, the agency must develop a plan to facilitate visitation or ongoing contact among the siblings as required under section 260C.212, subdivision 1, unless it is contrary to the safety or well-being of any of the siblings to do so.

(l) When the court has ordered the child into foster care or into the home of a noncustodial parent, the court may order a chemical dependency evaluation, mental health evaluation, medical examination, and parenting assessment for the parent as necessary to support the development of a plan for reunification required under subdivision 7 and section 260C.212, subdivision 1, or the child protective services plan under section 626.556, subdivision 10, and Minnesota Rules, part 9560.0228.

Sec. 15. Minnesota Statutes 2010, section 260C.178, subdivision 7, is amended to read:

Subd. 7. Out-of-home placement plan. (a) An out-of-home placement plan required under section 260C.212 shall be filed with the court within 30 days of the filing of a juvenile protection petition alleging the child to be in need of protection or services under section 260C.141, subdivision 1, when the court orders emergency removal of the child under this section, or filed with the petition if the petition is a review of a voluntary placement under section 260C.141, subdivision 2.
(b) Upon the filing of the out-of-home placement plan which has been developed jointly with the parent and in consultation with others as required under section 260C.212, subdivision 1, the court may approve implementation of the plan by the responsible social services agency based on the allegations contained in the petition and any evaluations, examinations, or assessments conducted under subdivision 1, paragraph (l). The court shall send written notice of the approval of the out-of-home placement plan to all parties and the county attorney or may state such approval on the record at a hearing. A parent may agree to comply with the terms of the plan filed with the court.

(c) The responsible social services agency shall make reasonable efforts to engage a parent both parents of the child in case planning. If the parent refuses to cooperate in the development of the out-of-home placement plan or disagrees with the services recommended by the agency, the agency shall report the results of its efforts to engage the child's parents in the out-of-home placement plan filed with the court. The agency shall notify the court of the services it will provide or efforts it will attempt under the plan notwithstanding the parent's refusal to cooperate or disagreement with the services. The parent may ask the court to modify the plan to require different or additional services requested by the parent, but which the agency refused to provide. The court may approve the plan as presented by the agency or may modify the plan to require services requested by the parent. The court's approval shall be based on the content of the petition.

(d) Unless the parent agrees to comply with the terms of the out-of-home placement plan, the court may not order a parent to comply with the provisions of the plan until the court finds the child is in need of protection or services and orders disposition under section 260C.201, subdivision 1. However, the court may find that the responsible social services agency has made reasonable efforts for reunification if the agency makes efforts to implement the terms of an out-of-home placement plan approved under this section.

Sec. 16. Minnesota Statutes 2010, section 260C.193, subdivision 3, is amended to read:

Subd. 3. Best interest of the child in foster care or residential care. (a) The policy of the state is to ensure that the best interests of children in foster or residential care, who experience transfer of permanent legal and physical custody to a relative under section 260C.515, subdivision 4, or adoption under chapter 259 are met by requiring individualized determinations under section 260C.212, subdivision 2, paragraph (b), of the needs of the child and of how the selected placement will serve the needs of the child in foster care placements.

(b) No later than three months after a child is ordered removed from the care of a parent in the hearing required under section 260C.202, the court shall review and enter findings regarding whether the responsible social services agency made:

1. diligent efforts to identify and search for relatives as required under section 260C.212, subdivision 5, 260C.221; and made

2. an individualized determination as required under section 260C.212, subdivision 2, to select a home that meets the needs of the child.

(c) If the court finds the agency has not made efforts as required under section 260C.212, subdivision 5, 260C.221 and there is a relative who qualifies to be licensed to provide family foster care under chapter 245A, the court may order the child placed with the relative consistent with the child's best interests.

(d) If the agency's efforts under section 260C.221 are found to be sufficient, the court shall order the agency to continue to appropriately engage relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to appropriately engage relatives who subsequently come to the agency's attention.

(e) If the child's birth parent or parents explicitly request that a relative or important friend not be considered, the court shall honor that request if it is consistent with the best interests of the child. If the child's birth parent or parents express a preference for placing the child in a foster or adoptive home of the same or a similar religious background to that of the birth parent or parents, the court shall order placement of the child with an individual who meets the birth parent's religious preference.
(d) (f) Placement of a child cannot be delayed or denied based on race, color, or national origin of the foster parent or the child.

(e) (g) Whenever possible, siblings should be placed together unless it is determined not to be in the best interests of a sibling siblings. If siblings were not placed together according to section 260C.212, subdivision 2, paragraph (d), the responsible social services agency shall report to the court the efforts made to place the siblings together and why the efforts were not successful. If the court is not satisfied with the agency's efforts to place siblings together, the court may order the agency to make reasonable efforts to place the siblings together. If siblings are not placed together the court shall review order the responsible social services agency to implement the plan for visitation among siblings required as part of the out-of-home placement plan under section 260C.212.

(f) This subdivision does not affect the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, and the Minnesota Indian Family Preservation Act, sections 260.751 to 260.835.

Sec. 17. Minnesota Statutes 2010, section 260C.193, subdivision 6, is amended to read:

Subd. 6. Jurisdiction to review foster care to age 21, termination of jurisdiction, jurisdiction to age 18. (a) Jurisdiction over a child in foster care pursuant to section 260C.451 may continue to age 21 for the purpose of conducting the reviews required under section 260C.201, subdivision 11, paragraph (d), 260C.212, subdivision 7, or 260C.317, subdivision 3, 260C.203 or 260C.515, subdivision 5 or 6. Jurisdiction over a child in foster care pursuant to section 260C.451 shall not be terminated without giving the child notice of any motion or proposed order to dismiss jurisdiction and an opportunity to be heard on the appropriateness of the dismissal. When a child in foster care pursuant to section 260C.451 asks to leave foster care or actually leaves foster care, the court may terminate its jurisdiction.

(b) Except when a court order is necessary for a child to be in foster care or when continued review under (1) section 260C.212, subdivision 7, paragraph (d), or 260C.201, subdivision 11, paragraph (d), and (2) section 260C.317, subdivision 3, is required for a child in foster care under section 260C.451, the court may terminate jurisdiction on its own motion or the motion of any interested party upon a determination that jurisdiction is no longer necessary to protect the child's best interests except when:

(1) a court order is necessary for a child to be in foster care; or

(2) continued review under section 260C.203 or 260C.515, subdivision 5 or 6, is required for a child in foster care under section 260C.451.

(c) Unless terminated by the court, and except as otherwise provided in this subdivision, the jurisdiction of the court shall continue until the child becomes 18 years of age. The court may continue jurisdiction over an individual and all other parties to the proceeding to the individual's 19th birthday when continuing jurisdiction is in the individual's best interest in order to:

(1) protect the safety or health of the individual;

(2) accomplish additional planning for independent living or for the transition out of foster care; or

(3) support the individual's completion of high school or a high school equivalency program.
Sec. 18. Minnesota Statutes 2010, section 260C.201, subdivision 2, is amended to read:

Subd. 2. Written findings. (a) Any order for a disposition authorized under this section shall contain written findings of fact to support the disposition and case plan ordered and shall also set forth in writing the following information:

(1) why the best interests and safety of the child are served by the disposition and case plan ordered;

(2) what alternative dispositions or services under the case plan were considered by the court and why such dispositions or services were not appropriate in the instant case;

(3) when legal custody of the child is transferred, the appropriateness of the particular placement made or to be made by the placing agency using the factors in section 260C.212, subdivision 2, paragraph (b);

(4) whether reasonable efforts to finalize the permanent plan for the child consistent with section 260.012 were made including reasonable efforts:

(i) to prevent or eliminate the necessity of the child's removal placement and to reunify the family after removal of the child with the parent or guardian from whom the child was removed at the earliest time consistent with the child's safety. The court's findings must include a brief description of what preventive and reunification efforts were made and why further efforts could not have prevented or eliminated the necessity of removal or that reasonable efforts were not required under section 260.012 or 260C.178, subdivision 1;

(ii) to identify and locate any noncustodial or nonresident parent of the child and to assess such parent's ability to provide day-to-day care of the child, and, where appropriate, provide services necessary to enable the noncustodial or nonresident parent to safely provide day-to-day care of the child as required under section 260C.219, unless such services are not required under section 260.012 or 260C.178, subdivision 1;

(iii) to make the diligent search for relatives and provide the notices required under section 260C.221; a finding made pursuant to a hearing under section 260C.202 that the agency has made diligent efforts to conduct a relative search and has appropriately engaged relatives who responded to the notice under section 260C.221 and other relatives, who came to the attention of the agency after notice under section 260C.221 was sent, in placement and case planning decisions fulfills the requirement of this item;

(iv) to identify and make a foster care placement in the home of an unlicensed relative according to the requirements of section 245A.035, a licensed relative, or other licensed foster care provider who will commit to being the permanent legal parent or custodian for the child in the event reunification cannot occur, but who will actively support the reunification plan for the child; and

(v) to place siblings together in the same home or to ensure visitation is occurring when siblings are separated in foster care placement and visitation is in the siblings' best interests under section 260C.212, subdivision 2, paragraph (d); and

(5) if the child has been adjudicated as a child in need of protection or services because the child is in need of special services or care to treat or ameliorate a mental disability or emotional disturbance as defined in section 245.4871, subdivision 15, the written findings shall also set forth:

(i) whether the child has mental health needs that must be addressed by the case plan;

(ii) what consideration was given to the diagnostic and functional assessments performed by the child's mental health professional and to health and mental health care professionals' treatment recommendations;
(iii) what consideration was given to the requests or preferences of the child's parent or guardian with regard to the child's interventions, services, or treatment; and

(iv) what consideration was given to the cultural appropriateness of the child's treatment or services.

(b) If the court finds that the social services agency's preventive or reunification efforts have not been reasonable but that further preventive or reunification efforts could not permit the child to safely remain at home, the court may nevertheless authorize or continue the removal of the child.

(c) If the child has been identified by the responsible social services agency as the subject of concurrent permanency planning, the court shall review the reasonable efforts of the agency to recruit, identify, and make a placement in a home where the foster parent or relative that has committed to being the legally permanent home for the child in the event reunification efforts are not successful develop a permanency plan for the child that includes a primary plan which is for reunification with the child's parent or guardian and a secondary plan which is for an alternative, legally permanent home for the child in the event reunification cannot be achieved in a timely manner.

Sec. 19. Minnesota Statutes 2010, section 260C.201, subdivision 10, is amended to read:

Subd. 10. Court review of foster care. (a) If the court orders a child placed in foster care, the court shall review the out-of-home placement plan and the child's placement at least every 90 days as required in juvenile court rules to determine whether continued out-of-home placement is necessary and appropriate or whether the child should be returned home. This review is not required if the court has returned the child home, ordered the child permanently placed away from the parent under subdivision 11, or terminated rights under section 260C.301. Court review for a child permanently placed away from a parent, including where the child is under guardianship and legal custody of the commissioner, shall be governed by subdivision 11 or section 260C.317, subdivision 3, whichever is applicable or 260C.521.

(b) No later than six three months after the child's placement in foster care, the court shall review agency efforts pursuant to section 260C.212, subdivision 2, 260C.221 and order that the efforts continue if the agency has failed to perform the duties under that section. The court must order the agency to continue to appropriately evaluate relatives who responded to the notice under section 260C.221 in placement and case planning decisions and to evaluate other relatives who came to the agency's attention after notice under section 260C.221 was sent.

(c) The court shall review the out-of-home placement plan and may modify the plan as provided under subdivisions 6 and 7.

(d) When the court orders transfer of custody to a responsible social services agency resulting in foster care or protective supervision with a noncustodial parent under subdivision 1, the court shall notify the parents of the provisions of subdivisions 11 and subdivision 11a and sections 260C.503 to 260C.521, as required under juvenile court rules.

(e) When a child remains in or returns to foster care pursuant to section 260C.451 and the court has jurisdiction pursuant to section 260C.193, subdivision 6, paragraph (c), the court shall at least annually conduct the review required under subdivision 11, paragraph (d), or sections 260C.212, subdivision 7, and 260C.317, subdivision 3 section 260C.203.

Sec. 20. Minnesota Statutes 2010, section 260C.212, subdivision 5, is amended to read:

Subd. 5. Relative search. (a) The responsible social services agency shall exercise due diligence to identify and notify adult relatives prior to placement or within 30 days after the child's removal from the parent. The county agency shall consider placement with a relative under subdivision 2 without delay whenever the child must
move from or be returned to foster care. The relative search required by this section shall be reasonable and comprehensive in scope and may last up to six months or until a fit and willing relative is identified. After a finding that the agency has made reasonable efforts to conduct the relative search under this paragraph, the agency has the continuing responsibility to appropriately involve relatives, who have responded to the notice required under paragraph (a), in planning for the child and to continue to consider relatives according to the requirements of section 260C.212, subdivision 2. At any time during the course of juvenile protection proceedings, the court may order the agency to reopen its search for relatives when it is in the child's best interest to do so. The relative search required by this section shall include both maternal relatives of the child and paternal relatives of the child, if paternity is adjudicated. The search shall also include getting information from the child in an age appropriate manner about who the child considers to be family members and important friends with whom the child has resided or had significant contact. The relative search required under this section must fulfill the agency's duties under the Indian Child Welfare Act regarding active efforts to prevent the breakup of the Indian family under United State Codes, title 25, section 1915. The relatives must be notified:

(1) of the need for a foster home for the child, the option to become a placement resource for the child, and the possibility of the need for a permanent placement for the child;

(2) of their responsibility to keep the responsible social services agency informed of their current address in order to receive notice in the event that a permanent placement is sought for the child. A relative who fails to provide a current address to the responsible social services agency forfeits the right to notice of the possibility of permanent placement. A decision by a relative not to be identified as a permanent placement resource or participate in planning for the child at the beginning of the case shall not affect whether the relative is considered for placement of the child with that relative later;

(3) that the relative may participate in the care and planning for the child, including that the opportunity for such participation may be lost by failing to respond to the notice; and, "Participate in the care and planning" includes, but is not limited to, participation in case planning for the parent and child, identifying the strengths and needs of the parent and child, supervising visits, providing respite and vacation visits for the child, providing transportation to appointments, suggesting other relatives who might be able to help support the case plan, and to the extent possible, helping to maintain the child's familiar and regular activities and contact with friends and relatives;

(4) of the family foster care licensing requirements, including how to complete an application and how to request a variance from licensing standards that do not present a safety or health risk to the child in the home under section 245A.04 and supports that are available for relatives and children who reside in a family foster home; and

(5) of the relatives' right to be notified of any court proceedings regarding the child, to attend the hearings, and of a relative's right or opportunity to be heard by the court as required under section 260C.152, subdivision 5.

(b) A responsible social services agency may disclose private or confidential data, as defined in section sections 13.02 and 626.556, to relatives of the child for the purpose of locating and assessing a suitable placement and may use any reasonable means of identifying and locating relatives including the Internet or other electronic means of conducting a search. The agency shall disclose only data that is necessary to facilitate possible placement with relatives and to ensure that the relative is informed of the needs of the child so the relative can participate in planning for the child and be supportive of services to the child and family. If the child's parent refuses to give the responsible social services agency information sufficient to identify the maternal and paternal relatives of the child, the agency shall ask the juvenile court to order the parent to provide the necessary information. If a parent makes an explicit request that relatives or a specific relative not be contacted or considered for placement, the agency shall bring the parent's request to the attention of the court to determine whether the parent's request is consistent with the best interests of the child and the agency shall not contact relatives or a specific relative unless authorized to do so by the juvenile court.
(c) At a regularly scheduled hearing not later than three months after the child's placement in foster care and as required in section 260C.202, the agency shall report to the court:

(1) its efforts to identify maternal and paternal relatives of the child, to engage the relatives in providing support for the child and family, and document that the relatives have been provided the notice required under paragraph (a); and

(2) its decision regarding placing the child with a relative as required under section 260C.212, subdivision 2, and to ask relatives to visit or maintain contact with the child in order to support family connections for the child, when placement with a relative is not possible or appropriate.

(d) Notwithstanding chapter 13, the agency shall disclose data about particular relatives identified, searched for, and contacted for the purposes of the court's review of the agency's due diligence.

(e) When the court is satisfied that the agency has exercised due diligence to identify relatives and provide the notice required in paragraph (a), the court may find that reasonable efforts have been made to conduct a relative search to identify and provide notice to adult relatives as required under section 260.012, paragraph (e), clause (3). If the court is not satisfied that the agency has exercised due diligence to identify relatives and provide the notice required in paragraph (a), the court may order the agency to continue its search and notice efforts and to report back to the court.

(f) When the placing agency determines that a permanent placement hearing is proceedings are necessary because there is a likelihood that the child will not return to a parent's care, the agency may send the notice provided in paragraph (d) (g), may ask the court to modify the requirements of the agency under this paragraph to send the notice required in paragraph (g), or may ask the court to completely relieve the agency of the requirements of this paragraph. The relative notification requirements of this paragraph do not apply when the child is placed with an appropriate relative or a foster home that has committed to being the adopting the child or taking permanent legal placement for and physical custody of the child and the agency approves of that foster home for permanent placement of the child. The actions ordered by the court under this section must be consistent with the best interests, safety, permanency, and welfare of the child.

(g) Unless required under the Indian Child Welfare Act or relieved of this duty by the court under paragraph (e) (e), when the agency determines that it is necessary to prepare for the permanent placement determination proceedings, or in anticipation of filing a termination of parental rights petition, the agency shall send notice to the relatives, any adult with whom the child is currently residing, any adult with whom the child has resided for one year or longer in the past, and any adults who have maintained a relationship or exercised visitation with the child as identified in the agency case plan. The notice must state that a permanent home is sought for the child and that the individuals receiving the notice may indicate to the agency their interest in providing a permanent home. The notice must state that within 30 days of receipt of the notice an individual receiving the notice must indicate to the agency the individual's interest in providing a permanent home for the child or that the individual may lose the opportunity to be considered for a permanent placement.

(e) The Department of Human Services shall develop a best practices guide and specialized staff training to assist the responsible social services agency in performing and complying with the relative search requirements under this subdivision.

Sec. 21. Minnesota Statutes 2010, section 260C.212, subdivision 7, is amended to read:

Subd. 7. Administrative or court review of placements. (a) Unless the court is conducting the reviews required under section 260C.202, there shall be an administrative review of the out-of-home placement plan of each child placed in foster care no later than 180 days after the initial placement of the child in foster care and at least every six months thereafter if the child is not returned to the home of the parent or parents within that time. The out-
of-home placement plan must be monitored and updated at each administrative review. The administrative review shall be conducted by the responsible social services agency using a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review. The administrative review shall be open to participation by the parent or guardian of the child and the child, as appropriate.

(b) As an alternative to the administrative review required in paragraph (a), the court may, as part of any hearing required under the Minnesota Rules of Juvenile Protection Procedure, conduct a hearing to monitor and update the out-of-home placement plan pursuant to the procedure and standard in section 260C.201, subdivision 6, paragraph (d). The party requesting review of the out-of-home placement plan shall give parties to the proceeding notice of the request to review and update the out-of-home placement plan. A court review conducted pursuant to section 260C.141, subdivision 2; 260C.193; 260C.201, subdivision 1 or 2; 260C.141, subdivision 2; 260C.315; 260C.202; 260C.204; or 260D.06 shall satisfy the requirement for the review so long as the other requirements of this section are met.

(c) As appropriate to the stage of the proceedings and relevant court orders, the responsible social services agency or the court shall review:

(1) the safety, permanency needs, and well-being of the child;

(2) the continuing necessity for and appropriateness of the placement;

(3) the extent of compliance with the out-of-home placement plan;

(4) the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care;

(5) the projected date by which the child may be returned to and safely maintained in the home or placed permanently away from the care of the parent or parents or guardian; and

(6) the appropriateness of the services provided to the child.

(d) When a child is age 16 or older, in addition to any administrative review conducted by the agency, at the in-court review required under section 260C.201, subdivision 11; 260C.515, subdivision 5 or 6, or 260C.317, subdivision 3, clause (3), the court shall review the independent living plan required under section 260C.212, subdivision 1, paragraph (c), clause (11), and the provision of services to the child related to the well-being of the child as the child prepares to leave foster care. The review shall include the actual plans related to each item in the plan necessary to the child's future safety and well-being when the child is no longer in foster care.

(e) At the court review required under paragraph (d) for a child age 16 or older the following procedures apply:

(1) six months before the child is expected to be discharged from foster care, the responsible social services agency shall establish that it has given the written notice required under section 260C.456 or Minnesota Rules, part 956.0660, 260C.451, subdivision 1, regarding the right to continued access to services for certain children in foster care past age 18 and of the right to appeal a denial of social services under section 256.045. If the agency is unable to establish that it has given a copy of the notice, including the right to appeal a denial of social services, has been given, with the court. If the agency does not file the notice by the time the child is age 17-1/2, the court shall require the agency to give it;

(2) consistent with the requirements of the independent living plan, the court shall review progress toward or accomplishment of the following goals:
(i) the child has obtained a high school diploma or its equivalent;

(ii) the child has completed a driver's education course or has demonstrated the ability to use public transportation in the child's community;

(iii) the child is employed or enrolled in postsecondary education;

(iv) the child has applied for and obtained postsecondary education financial aid for which the child is eligible;

(v) the child has health care coverage and health care providers to meet the child's physical and mental health needs;

(vi) the child has applied for and obtained disability income assistance for which the child is eligible;

(vii) the child has obtained affordable housing with necessary supports, which does not include a homeless shelter;

(viii) the child has saved sufficient funds to pay for the first month's rent and a damage deposit;

(ix) the child has an alternative affordable housing plan, which does not include a homeless shelter, if the original housing plan is unworkable;

(x) the child, if male, has registered for the Selective Service; and

(xi) the child has a permanent connection to a caring adult;

(3) the court shall ensure that the responsible agency in conjunction with the placement provider assists the child in obtaining the following documents prior to the child's leaving foster care: a Social Security card; the child's birth certificate; a state identification card or driver's license, green card, or school visa; the child's school, medical, and dental records; a contact list of the child's medical, dental, and mental health providers; and contact information for the child's siblings, if the siblings are in foster care.

(e) When a child is age 17 or older, during the 90-day period immediately prior to the date the child is expected to be discharged from foster care, the responsible social services agency is required to provide the child with assistance and support in developing a transition plan that is personalized at the direction of the child. (f) For a child who will be discharged from foster care at age 18 or older, the responsible social services agency is required to develop a personalized transition plan as directed by the youth. The transition plan must be developed during the 90-day period immediately prior to the expected date of discharge. The transition plan must be as detailed as the child may elect and include specific options on housing, health insurance, education, local opportunities for mentors and continuing support services, and work force supports and employment services. The plan must include information on the importance of designating another individual to make health care treatment decisions on behalf of the child if the child becomes unable to participate in these decisions and the child does not have, or does not want, a relative who would otherwise be authorized to make these decisions. The plan must provide the child with the option to execute a health care directive as provided under chapter 145C. The county shall also provide the individual with appropriate contact information if the individual needs more information or needs help dealing with a crisis situation through age 21.

Sec. 22. Minnesota Statutes 2010, section 260C.215, subdivision 4, is amended to read:

Subd. 4. Consultation with representatives. Duties of commissioner. The commissioner of human services, after seeking and considering advice from representatives reflecting diverse populations from the councils established under sections 3.922, 3.9223, 3.9225, and 3.9226, and other state, local, and community organizations, shall:
(1) review and, where necessary, revise the Department of Human Services Social Service Manual and Practice Guide to provide practice guidance to responsible social services agencies and child-placing agencies that reflect federal and state laws and policy direction on placement of children;

(2) develop criteria for determining whether a prospective adoptive or foster family has the ability to understand and validate the child's cultural background;

(3) develop a standardized training curriculum for adoption and foster care workers, family-based providers, and administrators who work with children. Training must address the following objectives:
   (a) (i) developing and maintaining sensitivity to all cultures;
   (b) (ii) assessing values and their cultural implications; and
   (c) (iii) making individualized placement decisions that advance the best interests of a particular child under section 260C.212, subdivision 2; and
   (iv) issues related to cross-cultural placement;

(4) develop a training curriculum for family and extended family members all prospective adoptive and foster families that prepares them to care for the needs of adoptive and foster children. The curriculum must address issues relating to cross-cultural placements as well as issues that arise after a foster or adoptive placement is made; and

(5) develop and provide to agencies an assessment tool to be used in combination with group interviews and other preplacement activities a home study format to evaluate the capacities and needs of prospective adoptive and foster families. The tool format must assess problem-solving skills; identify parenting skills; and evaluate the degree to which the prospective family has the ability to understand and validate the child's cultural background and other issues needed to provide sufficient information for agencies to make an individualized placement decision consistent with section 260C.212, subdivision 2. If a prospective adoptive parent has also been a foster parent, any update necessary to a home study for the purpose of adoption must be completed by the licensing authority responsible for the foster parent's license. If a prospective adoptive parent with an approved adoptive home study also applies for a foster care license, the license application must be made with the same agency which provided the adoptive home study; and

(6) consult as needed with representatives reflecting diverse populations from the councils established under sections 3.922, 3.9223, 3.9225, and 3.9226, and other state, local, and community organizations.

Sec. 23. Minnesota Statutes 2010, section 260C.215, subdivision 6, is amended to read:

Subd. 6. Duties of child-placing agencies. (a) Each authorized child-placing agency must:

(1) develop and follow procedures for implementing the requirements of section 260C.193, subdivision 3, 260C.212, subdivision 2, and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923;

(2) have a written plan for recruiting adoptive and foster families that reflect the ethnic and racial diversity of children who are in need of foster and adoptive homes. The plan must include:
   (i) strategies for using existing resources in diverse communities,
   (ii) use of diverse outreach staff wherever possible,
(iii) use of diverse foster homes for placements after birth and before adoption, and (iv) other techniques as appropriate;

(3) have a written plan for training adoptive and foster families;

(4) have a written plan for employing staff in adoption and foster care who have the capacity to assess the foster and adoptive parents' ability to understand and validate a child's cultural needs, and to advance the best interests of the child, as required in section 260C.212, subdivision 2. The plan must include staffing goals and objectives;

(5) ensure that adoption and foster care workers attend training offered or approved by the Department of Human Services regarding cultural diversity and the needs of special needs children; and

(6) develop and implement procedures for implementing the requirements of the Indian Child Welfare Act and the Minnesota Indian Family Preservation Act.

(b) In determining the suitability of a proposed placement of an Indian child, the standards to be applied must be the prevailing social and cultural standards of the Indian child's community, and the agency shall defer to tribal judgment as to suitability of a particular home when the tribe has intervened pursuant to the Indian Child Welfare Act.

Sec. 24. [260C.229] VOLUNTARY FOSTER CARE FOR CHILDREN OVER AGE 18; REQUIRED COURT REVIEW.

(a) When a child asks to continue or to reenter foster care after age 18 under section 260C.451, the child and the responsible social services agency may enter into a voluntary agreement for the child to be in foster care under the terms of section 260C.451. The voluntary agreement must be in writing and on a form prescribed by the commissioner.

(b) When the child is in foster care pursuant to a voluntary foster care agreement between the agency and child and the child is not already under court jurisdiction pursuant to section 260C.193, subdivision 6, the agency responsible for the child's placement in foster care shall:

(1) file a motion to reopen the juvenile protection matter where the court previously had jurisdiction over the child within 30 days of the child and the agency executing the voluntary placement agreement under paragraph (a) and ask the court to review the child's placement in foster care and find that the placement is in the best interests of the child; and

(2) file the out-of-home placement plan required under subdivision 1 with the motion to reopen jurisdiction.

(c) The court shall conduct a hearing on the matter within 30 days of the agency's motion to reopen the matter and, if the court finds that placement is in the best interest of the child, shall conduct the review for the purpose and with the content required under section 260C.203, at least every 12 months as long as the child continues in foster care.

Sec. 25. Minnesota Statutes 2010, section 260C.301, subdivision 8, is amended to read:

Subd. 8. Findings regarding reasonable efforts. In any proceeding under this section, the court shall make specific findings:

(1) that reasonable efforts to prevent the placement and finalize the permanency plan to reunify the child and the parent were made including individualized and explicit findings regarding the nature and extent of efforts made by the social services agency to rehabilitate the parent and reunite the family; or

(2) that reasonable efforts at for reunification are not required as provided under section 260.012.
Sec. 26. Minnesota Statutes 2010, section 260C.328, is amended to read:

260C.328 CHANGE OF GUARDIAN; TERMINATION OF GUARDIANSHIP.

(a) Upon its own motion or upon petition of an interested party, the juvenile court having jurisdiction of the child may, after notice to the parties and a hearing, remove the guardian appointed by the juvenile court and appoint a new guardian in accordance with the provisions of section 260C.325, subdivision 1, clause (a), (b), or (c). Upon a showing that the child is emancipated, the court may discharge the guardianship. Any child 14 years of age or older who is not adopted but who is placed in a satisfactory foster home, may, with the consent of the foster parents, join with the guardian appointed by the juvenile court in a petition to the court having jurisdiction of the child to discharge the existing guardian and appoint the foster parents as guardians of the child.

(b) The authority of a guardian appointed by the juvenile court terminates when the individual under guardianship is no longer a minor or when guardianship is otherwise discharged becomes age 18. However, an individual who has been under the guardianship of the commissioner and who has not been adopted may continue in foster care or reenter foster care pursuant to section 260C.451 and the responsible social services agency has continuing legal responsibility for the placement of the individual.

Sec. 27. Minnesota Statutes 2010, section 260C.451, is amended to read:

260C.451 FOSTER CARE BENEFITS TO AGE 21 PAST AGE 18.

Subd. 1. Notification of benefits. Within the six months prior to the child's 18th birthday, the local responsible social services agency shall advise provide written notice on a form prescribed by the commissioner of human services to any child in foster care under this chapter who cannot reasonably be expected to return home or have another legally permanent family by the age of 18, the child's parents or legal guardian, if any, and the child's guardian ad litem, and the child's foster parents of the availability of benefits of the foster care program up to age 21 when the child is eligible under subdivisions 3 and 3a.

Subd. 2. Independent living plan. Upon the request of any child receiving in foster care benefits immediately prior to the child's 18th birthday and who is in foster care at the time of the request, the local responsible social services agency shall, in conjunction with the child and other appropriate parties, update the independent living plan required under section 260C.212, subdivision 1, paragraph (c), clause (11), related to the child's employment, vocational, educational, social, or maturational needs. The agency shall provide continued services and foster care for the child including those services that are necessary to implement the independent living plan.

Subd. 3. Eligibility to continue in foster care. A child already in foster care immediately prior to the child's 18th birthday may continue in foster care past age 18 unless:

(1) the child can safely return home;

(2) the child is in placement pursuant to the agency's duties under section 256B.092 and Minnesota Rules, parts 9525.0004 to 9525.0016, to meet the child's needs due to developmental disability or related condition, and the child will be served as an adult under section 256B.092 and Minnesota Rules, parts 9525.0004 to 9525.0016; or

(3) the child can be adopted or have permanent legal and physical custody transferred to a relative prior to the child's 18th birthday.

Subd. 3a. Eligibility criteria. The child must meet at least one of the following conditions to be considered eligible to continue in or return to foster care and remain there to age 21. The child must be:

(1) completing secondary education or a program leading to an equivalent credential;
(2) enrolled in an institution which provides postsecondary or vocational education;

(3) participating in a program or activity designed to promote or remove barriers to employment;

(4) employed for at least 80 hours per month; or

(5) incapable of doing any of the activities described in clauses (1) to (4) due to a medical condition.

Subd. 4. Foster care benefits. For children between the ages of 18 and 21, "foster care benefits" means payment for those foster care settings defined in section 260C.007, subdivision 18. Additionally, foster care benefits means payment for a supervised setting, approved by the responsible social services agency, in which a child may live independently.

Subd. 5. Permanent decision Foster care setting. The particular foster care setting, including supervised settings, shall be selected by the agency and the child based on the best interest of the child consistent with section 260C.212, subdivision 2. Supervision in approved settings must be determined by an individual determination of the child's needs by the responsible social services agency and consistent with section 260C.212, subdivision 4a.

Subd. 6. Individual plan to age 21 Reentering foster care and accessing services after age 18. (a) Upon request of an individual between the ages of 18 and 21 who, within six months of the individual's 18th birthday, had been under the guardianship of the commissioner and who has left foster care without being adopted, the responsible social services agency which had been the commissioner's agent for purposes of the guardianship shall develop with the individual a plan related to the individual's vocational, educational, social, or maturational needs to increase the individual's ability to live safely and independently using the plan requirements of section 260C.212, subdivision 1, paragraph (b), clause (11), and to assist the individual to meet one or more of the eligibility criteria in subdivision 4 if the individual wants to reenter foster care. The agency shall provide foster care with maintenance and counseling benefits as required to implement the plan. The agency shall enter into a voluntary placement agreement under section 260C.229 with the individual if the plan includes foster care.

(b) Individuals who had not been under the guardianship of the commissioner of human services prior to age 18 and are between the ages of 18 and 21 may ask to reenter foster care after age 18 and, to the extent funds are available, the responsible social services agency that had responsibility for planning for the individual before discharge from foster care may provide foster care or other services to the individual for the purpose of increasing the individual's ability to live safely and independently and to meet the eligibility criteria in subdivision 3a, if the individual:

(1) was in foster care for the six consecutive months prior to the person's 18th birthday and was not discharged home, adopted, or received into a relative's home under a transfer of permanent legal and physical custody under section 260C.515, subdivision 4; or

(2) was discharged from foster care while on runaway status after age 15.

(c) In conjunction with a qualifying and eligible individual under paragraph (b) and other appropriate persons, the responsible social services agency shall develop a specific plan related to that individual's vocational, educational, social, or maturational needs and, to the extent funds are available, provide foster care as required to implement the plan. The agency shall enter into a voluntary placement agreement with the individual if the plan includes foster care.

(d) Youth who left foster care while under guardianship of the commissioner of human services retain eligibility for foster care for placement at any time between the ages of 18 and 21.
Subd. 7. **Jurisdiction.** Notwithstanding that the court retains jurisdiction pursuant to this section, Individuals in foster care pursuant to this section are adults for all purposes except the continued provision of foster care. Any order establishing guardianship under section 260C.325, any legal custody order under section 260C.201, subdivision 1, and any order for legal custody associated with an order for long-term foster care permanent custody under section 260C.201, subdivision 11 260C.515, subdivision 5, terminates on the child's 18th birthday. The responsible social services agency has legal responsibility for the individual's placement and care when the matter continues under court jurisdiction pursuant to section 260C.193 or when the individual and the responsible agency execute a voluntary placement agreement pursuant to section 260C.229.

Subd. 8. **Notice of termination of foster care.** When a child in foster care between the ages of 18 and 21 ceases to meet one of the eligibility criteria of subdivision 3a, the responsible social services agency shall give the child written notice that foster care will terminate 30 days from the date the notice is sent. The child or the child's guardian ad litem may file a motion asking the court to review the agency's determination within 15 days of receiving the notice. The child shall not be discharged from foster care until the motion is heard. The agency shall work with the child to transition out of foster care as required under section 260C.203, paragraph (e). The written notice of termination of benefits shall be on a form prescribed by the commissioner and shall also give notice of the right to have the agency's determination reviewed by the court in the proceeding where the court conducts the reviews required under section 260C.203, 260C.515, subdivision 5 or 6, or 260C.317. A copy of the termination notice shall be sent to the child and the child's attorney, if any, the foster care provider, the child's guardian ad litem, and the court. The agency is not responsible for paying foster care benefits for any period of time after the child actually leaves foster care.

Sec. 28. **[260C.503] PERMANENCY PROCEEDINGS.**

**Subdivision 1. Required permanency proceedings.** Except for children in foster care pursuant to chapter 260D, where the child is in foster care or in the care of a noncustodial or nonresident parent, the court shall commence proceedings to determine the permanent status of a child by holding the admit-deny hearing required under section 260C.507 not later than 12 months after the child is placed in foster care or in the care of a noncustodial or nonresident parent. Permanency proceedings for children in foster care pursuant to chapter 260D shall be according to section 260D.07.

**Subd. 2. Termination of parental rights.** (a) The responsible social services agency must ask the county attorney to immediately file a termination of parental rights petition when:

1. the child has been subjected to egregious harm as defined in section 260C.007, subdivision 14;
2. the child is determined to be the sibling of a child who was subjected to egregious harm;
3. the child is an abandoned infant as defined in section 260C.301, subdivision 3, paragraph (b), clause (2);
4. the child's parent has lost parental rights to another child through an order involuntarily terminating the parent's rights;
5. the parent has committed sexual abuse as defined in section 626.556, subdivision 2, against the child or another child of the parent;
6. the parent has committed an offense that requires registration as a predatory offender under section 243.166, subdivision 1b, paragraph (a) or (b); or
7. another child of the parent is the subject of an order involuntarily transferring permanent legal and physical custody of the child to a relative under this chapter or a similar law of another jurisdiction;
The county attorney shall file a termination of parental rights petition unless the conditions of paragraph (d) are met.

(b) When the termination of parental rights petition is filed under this subdivision, the responsible social services agency shall identify, recruit, and approve an adoptive family for the child. If a termination of parental rights petition has been filed by another party, the responsible social services agency shall be joined as a party to the petition.

(c) If criminal charges have been filed against a parent arising out of the conduct alleged to constitute egregious harm, the county attorney shall determine which matter should proceed to trial first, consistent with the best interests of the child and subject to the defendant's right to a speedy trial.

(d) The requirement of paragraph (a) does not apply if the responsible social services agency and the county attorney determine and file with the court:

(1) a petition for transfer of permanent legal and physical custody to a relative under sections 260C.505 and 260C.515, subdivision 3, including a determination that adoption is not in the child's best interests and that transfer of permanent legal and physical custody is in the child's best interests; or

(2) a petition under section 260C.141 alleging the child, and where appropriate, the child's siblings, to be in need of protection or services accompanied by a case plan prepared by the responsible social services agency documenting a compelling reason why filing a termination of parental rights petition would not be in the best interests of the child.

Subd. 3. Calculating time to required permanency proceedings. (a) For purposes of this section, the date of the child's placement in foster care is the earlier of the first court-ordered placement or 60 days after the date on which the child has been voluntarily placed in foster care by the child's parent or guardian. For purposes of this section, time spent by a child in the home of the noncustodial parent pursuant to court order under section 260C.178 or under the protective supervision of the responsible social services agency in the home of the noncustodial parent pursuant to an order under section 260C.201, subdivision 1, counts towards the requirement of a permanency hearing under this section. Time spent on a trial home visit counts towards the requirement of a permanency hearing under this section and the permanency progress review required under section 260C.204.

(b) For the purposes of this section, 12 months is calculated as follows:

(1) during the pendency of a petition alleging that a child is in need of protection or services, all time periods when a child is placed in foster care or in the home of a noncustodial parent are cumulated;

(2) if a child has been placed in foster care within the previous five years under one or more previous petitions, the lengths of all prior time periods when the child was placed in foster care within the previous five years are cumulated. If a child under this clause has been in foster care for 12 months or more, the court, if it is in the best interests of the child and for compelling reasons, may extend the total time the child may continue out of the home under the current petition up to an additional six months before making a permanency determination.

(c) If the child is on a trial home visit 12 months after the child was placed in foster care or in the care of a noncustodial parent, the responsible social services agency may file a report with the court regarding the child's and parent's progress on the trial home visit and the agency's reasonable efforts to finalize the child's safe and permanent return to the care of the parent in lieu of filing the petition required under section 260C.505. The court shall make findings regarding the reasonable efforts of the agency to finalize the child's return home as the permanency disposition order in the best interests of the child. The court may continue the trial home visit to a total time not to exceed six months as provided in section 260C.201, subdivision 1, paragraph (a), clause (3). If the court finds the agency has not made reasonable efforts to finalize the child's return home as the permanency disposition order in the
child’s best interests, the court may order other or additional efforts to support the child remaining in the care of the parent. If a trial home visit ordered or continued at permanency proceedings under sections 260C.503 to 260C.521 terminates, the court shall commence or recommence permanency proceedings under this chapter no later than 30 days after the child is returned to foster care or to the care of a noncustodial parent.

Sec. 29. [260C.505] PETITION.

(a) A permanency or termination of parental rights petition must be filed at or prior to the time the child has been in foster care or in the care of a noncustodial or nonresident parent for 11 months or in the expedited manner required in section 260C.503, subdivision 2, paragraph (a). The court administrator shall serve the petition as required in the Minnesota Rules of Juvenile Protection Procedure and section 260C.152 in time for the admit-deny hearing on the petition required in section 260C.507.

(b) A petition under this section is not required if the responsible social services agency intends to recommend that the child return to the care of the parent from whom the child was removed at or prior to the time the court is required to hold the admit-deny hearing required under section 260C.507.

Sec. 30. [260C.507] ADMIT-DENY HEARING.

(a) An admit-deny hearing on the permanency or termination of parental rights petition shall be held not later than 12 months from the child’s placement in foster care or an order for the child to be in the care of a noncustodial or nonresident parent.

(b) An admit-deny hearing on the termination of parental rights or transfer of permanent legal and physical custody petition required to be immediately filed under section 260C.503, subdivision 2, paragraph (a), shall be within ten days of the filing of the petition.

(c) At the admit-deny hearing, the court shall determine whether there is a prima facie basis for finding that the agency made reasonable efforts, or in the case of an Indian child active efforts, for reunification as required or that reasonable efforts for reunification are not required under section 260.012 and proceed according to the Minnesota Rules of Juvenile Protection Procedure.

Sec. 31. [260C.509] TRIAL.

The permanency proceedings shall be conducted in a timely fashion including that any trial required under section 260C.163 shall be commenced within 60 days of the admit-deny hearing required under section 260C.507. At the conclusion of the permanency proceedings, the court shall:

(1) order the child returned to the care of the parent or guardian from whom the child was removed; or

(2) order a permanency disposition under section 260C.515 or termination of parental rights under sections 260C.301 to 260C.328 if a permanency disposition order or termination of parental rights is in the child’s best interests.

Sec. 32. [260C.511] BEST INTERESTS OF THE CHILD.

(a) The "best interests of the child" means all relevant factors to be considered and evaluated.

(b) In making a permanency disposition order or termination of parental rights, the court must be governed by the best interests of the child, including a review of the relationship between the child and relatives and the child and other important persons with whom the child has resided or had significant contact.
Sec. 33. [260C.513] PERMANENCY DISPOSITIONS WHEN CHILD CANNOT RETURN HOME.

(a) Termination of parental rights and adoption, or guardianship to the commissioner of human services through a consent to adopt are preferred permanency options for a child who cannot return home. If the court finds that termination of parental rights and guardianship to the commissioner is not in the child’s best interests, the court may transfer permanent legal and physical custody of the child to a relative when that order is in the child’s best interests.

(b) When the court has determined that permanent placement of the child away from the parent is necessary, the court shall consider permanent alternative homes that are available both inside and outside the state.

Sec. 34. [260C.515] PERMANENCY DISPOSITION ORDERS.

Subdivision 1. Court order required. If the child is not returned to the home at or before the conclusion of permanency proceedings under sections 260C.503 to 260C.521, the court must order one of the permanency dispositions in this section.

Subd. 2. Termination of parental rights. The court may order:

(1) termination of parental rights when the requirements of sections 260C.301 to 260C.328 are met; or

(2) the responsible social services agency to file a petition for termination of parental rights in which case all the requirements of sections 260C.301 to 260C.328 remain applicable.

Subd. 3. Guardianship; commissioner. The court may order guardianship to the commissioner of human services under the following procedures and conditions:

(1) there is an identified prospective adoptive parent agreed to by the responsible social services agency having legal custody of the child pursuant to court order under this chapter and that prospective adoptive parent has agreed to adopt the child;

(2) the court accepts the parent's voluntary consent to adopt in writing on a form prescribed by the commissioner, executed before two competent witnesses and confirmed by the consenting parent before the court or executed before court. The consent shall contain notice that consent given under this chapter:

(i) is irrevocable upon acceptance by the court unless fraud is established and an order issues permitting revocation as stated in clause (9) unless the matter is governed by the Indian Child Welfare Act, United States Code, title 25, section 1913(c); and

(ii) will result in an order that the child is under the guardianship of the commissioner of human services;

(3) a consent executed and acknowledged outside of this state, either in accordance with the law of this state or in accordance with the law of the place where executed, is valid;

(4) the court must review the matter at least every 90 days;

(5) a consent to adopt under this subdivision vests guardianship of the child with the commissioner of human services and makes the child a ward of the commissioner of human services under section 260C.325;

(6) the court must forward to the commissioner a copy of the consent to adopt, together with a certified copy of the order transferring guardianship to the commissioner;
(7) if an adoption is not finalized by the identified prospective adoptive parent within six months of the execution of the consent to adopt under this clause, the responsible social services agency shall pursue adoptive placement in another home unless the court finds in a hearing that the failure to finalize is not due to either an action or a failure to act by the prospective adoptive parent;

(8) notwithstanding clause (7), the responsible social services agency must pursue adoptive placement in another home as soon as the agency determines that finalization of the adoption with the identified prospective adoptive parent is not possible, that the identified prospective adoptive parent is not willing to adopt the child, or that the identified prospective adoptive parent is not cooperative in completing the steps necessary to finalize the adoption;

(9) unless otherwise required by the Indian Child Welfare Act, United States Code, title 25, section 1913(c), a consent to adopt executed under this section shall be irrevocable upon acceptance by the court except upon order permitting revocation issued by the same court after written findings that consent was obtained by fraud.

Subd. 4. Custody to relative. The court may order permanent legal and physical custody to a relative in the best interests of the child according to the following conditions:

(1) an order for transfer of permanent legal and physical custody to a relative shall only be made after the court has reviewed the suitability of the prospective legal and physical custodian;

(2) in transferring permanent legal and physical custody to a relative, the juvenile court shall follow the standards applicable under this chapter and chapter 260, and the procedures in the Minnesota Rules of Juvenile Protection Procedure;

(3) a transfer of legal and physical custody includes responsibility for the protection, education, care, and control of the child and decision making on behalf of the child;

(4) a permanent legal and physical custodian who returns a child to the permanent care of a parent from whom the court removed custody without the court's approval and without notice to the responsible social services agency is placing the child in violation of the court’s order and may be subject to sanctions for contempt of court and, if the return places the child's health or welfare in danger, may be subject to other criminal or civil action;

(5) the social services agency may file a petition naming a fit and willing relative as a proposed permanent legal and physical custodian;

(6) another party to the permanency proceeding regarding the child may file a petition to transfer permanent legal and physical custody to a relative, but the petition may not name as custodian a relative who the parent did not disclose to the agency or who was not discovered by the agency in its search for relatives when the court has found that the agency made diligent efforts to conduct the relative search and provide the notice required under section 260C.221; and

(7) the juvenile court may maintain jurisdiction over the responsible social services agency, the parents or guardian of the child, the child, and the permanent legal and physical custodian for purposes of ensuring appropriate services are delivered to the child and permanent legal custodian for the purpose of ensuring conditions ordered by the court related to the care and custody of the child are met.

Subd. 5. Permanent custody to agency. The court may order permanent custody to the responsible social services agency for continued placement of the child in foster care but only if it approves the responsible social services agency's compelling reasons that no other permanency disposition order is in the child's best interests, and:

(1) the child has reached age 12;
(2) the child is a sibling of a child described in clause (1) and the siblings have a significant positive relationship and are ordered into the same long-term foster care home;

(3) the responsible social services agency has made reasonable efforts to locate and place the child with an adoptive family or a fit and willing relative who would either agree to adopt the child or to a transfer of permanent legal and physical custody of the child, but these efforts have not proven successful; and

(4) the parent will continue to have visitation or contact with the child and will remain involved in planning for the child.

Subd. 6. Temporary legal custody to agency. The court may order temporary legal custody to the responsible social services agency for continued placement of the child in foster care for a specified period of time according to the following conditions:

(1) the sole basis for an adjudication that the child is in need of protection or services is the child's behavior;

(2) the court finds that foster care for a specified period of time is in the best interests of the child;

(3) the court approves the responsible social services agency's compelling reasons that neither an award of permanent legal and physical custody to a relative, nor termination of parental rights is in the child's best interests; and

(4) the order specifies that the child continue in foster care no longer than one year.

Sec. 35. [260C.517] FINDINGS AND CONTENT OF ORDER FOR PERMANENCY DISPOSITION.

(a) Except for an order terminating parental rights, an order permanently placing a child out of the home of the parent or guardian must include the following detailed findings:

(1) how the child's best interests are served by the order;

(2) the nature and extent of the responsible social services agency's reasonable efforts, or, in the case of an Indian child, active efforts to reunify the child with the parent or guardian where reasonable efforts are required;

(3) the parent's or parents' efforts and ability to use services to correct the conditions which led to the out-of-home placement; and

(4) that the conditions which led to the out-of-home placement have not been corrected so that the child can safely return home.

(b) The court shall issue an order required under this section and section 260C.515 within 15 days of the close of the proceedings. The court may extend issuing the order an additional 15 days when necessary in the interests of justice and the best interests of the child.

Sec. 36. [260C.519] FURTHER COURT HEARINGS.

Once a permanency disposition order has been made, further court hearings are necessary if:

(1) the child is ordered on a trial home visit or under the protective supervision of the responsible social services agency;

(2) the child continues in foster care;
(3) the court orders further hearings in a transfer of permanent legal and physical custody matter including if a party seeks to modify an order under section 260C.521, subdivision 2;

(4) an adoption has not yet been finalized; or

(5) the child returns to foster care after the court has entered an order for a permanency disposition under this section.

Sec. 37. [260C.521] COURT REVIEWS AFTER PERMANENCY DISPOSITION ORDER.

Subdivision 1. Child in permanent custody of responsible social services agency. (a) Court reviews of an order for permanent custody to the responsible social services agency for placement of the child in foster care must be conducted at least yearly at an in-court appearance hearing.

(b) The purpose of the review hearing is to ensure:

(1) the order for permanent custody to the responsible social services agency for placement of the child in foster care continues to be in the best interests of the child and that no other permanency disposition order is in the best interests of the child;

(2) that the agency is assisting the child to build connections to the child's family and community; and

(3) that the agency is appropriately planning with the child for development of independent living skills for the child, and as appropriate, for the orderly and successful transition to independent living that may occur if the child continues in foster care without another permanency disposition order.

(c) The court must review the child's out-of-home placement plan and the reasonable efforts of the agency to finalize an alternative permanent plan for the child including the agency's efforts to:

(1) ensure that permanent custody to the agency with placement of the child in foster care continues to be the most appropriate legal arrangement for meeting the child's need for permanency and stability or, if not, to identify and attempt to finalize another permanency disposition order under this chapter that would better serve the child's needs and best interests;

(2) identify a specific foster home for the child, if one has not already been identified;

(3) support continued placement of the child in the identified home, if one has been identified;

(4) ensure appropriate services are provided to address the physical health, mental health, and educational needs of the child during the period of foster care and also ensure appropriate services or assistance to maintain relationships with appropriate family members and the child's community; and

(5) plan for the child's independence upon the child's leaving foster care living as required under section 260C.212, subdivision 1.

(d) The court may find that the agency has made reasonable efforts to finalize the permanent plan for the child when:

(1) the agency has made reasonable efforts to identify a more legally permanent home for the child than is provided by an order for permanent custody to the agency for placement in foster care; and

(2) the agency's engagement of the child in planning for independent living is reasonable and appropriate.
Subd. 2. **Modifying an order for permanent legal and physical custody to a relative.** An order for a relative to have permanent legal and physical custody of a child may be modified using standards under sections 518.18 and 518.185. The social services agency is a party to the proceeding and must receive notice.

Subd. 3. **Modifying order for permanent custody to agency for placement in foster care.** (a) A parent may seek modification of an order for permanent custody of the child to the responsible social services agency for placement in foster care upon motion and a showing by the parent of a substantial change in the parent's circumstances such that the parent could provide appropriate care for the child and that removal of the child from the permanent custody of the agency and the return to the parent's care would be in the best interests of the child.

(b) The responsible social services agency may ask the court to vacate an order for permanent custody to the agency upon a petition and hearing pursuant to section 260C.163 establishing the basis for the court to order another permanency disposition under this chapter, including termination of parental rights based on abandonment if the parent has not visited the child, maintained contact with the child, or participated in planning for the child as required under section 260C.515, subdivision 5. The responsible social services agency must establish that the proposed permanency disposition order is in the child's best interests. Upon a hearing where the court determines the petition is proved, the court may vacate the order for permanent custody and enter a different order for a permanent disposition that is in the child's best interests. The court shall not require further reasonable efforts to reunify the child with the parent or guardian as a basis for vacating the order for permanent custody to the agency and ordering a different permanency disposition in the child's best interests. The county attorney must file the petition and give notice as required under the Minnesota Rules of Juvenile Protection Procedure in order to modify an order for permanent custody under this subdivision.

**ARTICLE 3**

TECHNICAL AND CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 2010, section 256.01, subdivision 14b, is amended to read:

Subd. 14b. **American Indian child welfare projects.** (a) The commissioner of human services may authorize projects to test tribal delivery of child welfare services to American Indian children and their parents and custodians living on the reservation. The commissioner has authority to solicit and determine which tribes may participate in a project. Grants may be issued to Minnesota Indian tribes to support the projects. The commissioner may waive existing state rules as needed to accomplish the projects. Notwithstanding section 626.556, the commissioner may authorize projects to use alternative methods of investigating and assessing reports of child maltreatment, provided that the projects comply with the provisions of section 626.556 dealing with the rights of individuals who are subjects of reports or investigations, including notice and appeal rights and data practices requirements. The commissioner may seek any federal approvals necessary to carry out the projects as well as seek and use any funds available to the commissioner, including use of federal funds, foundation funds, existing grant funds, and other funds. The commissioner is authorized to advance state funds as necessary to operate the projects. Federal reimbursement applicable to the projects is appropriated to the commissioner for the purposes of the projects. The projects must be required to address responsibility for safety, permanency, and well-being of children.

(b) For the purposes of this section, "American Indian child" means a person under 18 years of age who is a tribal member or eligible for membership in one of the tribes chosen for a project under this subdivision and who is residing on the reservation of that tribe.

(c) In order to qualify for an American Indian child welfare project, a tribe must:

(1) be one of the existing tribes with reservation land in Minnesota;

(2) have a tribal court with jurisdiction over child custody proceedings;
(3) have a substantial number of children for whom determinations of maltreatment have occurred;

(4) have capacity to respond to reports of abuse and neglect under section 626.556;

(5) provide a wide range of services to families in need of child welfare services; and

(6) have a tribal-state title IV-E agreement in effect.

(d) Grants awarded under this section may be used for the nonfederal costs of providing child welfare services to American Indian children on the tribe's reservation, including costs associated with:

(1) assessment and prevention of child abuse and neglect;

(2) family preservation;

(3) facilitative, supportive, and reunification services;

(4) out-of-home placement for children removed from the home for child protective purposes; and

(5) other activities and services approved by the commissioner that further the goals of providing safety, permanency, and well-being of American Indian children.

(e) When a tribe has initiated a project and has been approved by the commissioner to assume child welfare responsibilities for American Indian children of that tribe under this section, the affected county social service agency is relieved of responsibility for responding to reports of abuse and neglect under section 626.556 for those children during the time within which the tribal project is in effect and funded. The commissioner shall work with tribes and affected counties to develop procedures for data collection, evaluation, and clarification of ongoing role and financial responsibilities of the county and tribe for child welfare services prior to initiation of the project. Children who have not been identified by the tribe as participating in the project shall remain the responsibility of the county. Nothing in this section shall alter responsibilities of the county for law enforcement or court services.

(f) Participating tribes may conduct children's mental health screenings under section 245.4874, subdivision 1, paragraph (a), clause (14), for children who are eligible for the initiative and living on the reservation and who meet one of the following criteria:

(1) the child must be receiving child protective services;

(2) the child must be in foster care; or

(3) the child's parents must have had parental rights suspended or terminated.

Tribes may access reimbursement from available state funds for conducting the screenings. Nothing in this section shall alter responsibilities of the county for providing services under section 245.487.

(g) Participating tribes may establish a local child mortality review panel. In establishing a local child mortality review panel, the tribe agrees to conduct local child mortality reviews for child deaths or near-fatalities occurring on the reservation under subdivision 12. Tribes with established child mortality review panels shall have access to nonpublic data and shall protect nonpublic data under subdivision 12, paragraphs (c) to (e). The tribe shall provide written notice to the commissioner and affected counties when a local child mortality review panel has been established and shall provide data upon request of the commissioner for purposes of sharing nonpublic data with members of the state child mortality review panel in connection to an individual case.
(h) The commissioner shall collect information on outcomes relating to child safety, permanency, and well-being of American Indian children who are served in the projects. Participating tribes must provide information to the state in a format and completeness deemed acceptable by the state to meet state and federal reporting requirements.

Sec. 2. Minnesota Statutes 2010, section 257.01, is amended to read:

**257.01 RECORDS REQUIRED.**

Each person or authorized child-placing agency permitted by law to receive children, secure homes for children, or care for children, shall keep a record containing the name, age, former residence, legal status, health records, sex, race, and accumulated length of time in foster care, if applicable, of each child received; the name, former residence, occupation, health history, and character, of each birth parent; the date of reception, placing out, and adoption of each child, and the name, race, occupation, and residence of the person with whom a child is placed; the date of the removal of any child to another home and the reason for removal; the date of termination of the guardianship; the history of each child until the child reaches the age of 18 21 years, is legally adopted, or is discharged according to law; and further demographic and other information as is required by the commissioner of human services.

Sec. 3. Minnesota Statutes 2010, section 259.73, is amended to read:

**259.73 REIMBURSEMENT OF NONRECURRING ADOPTION EXPENSES.**

The commissioner of human services shall provide reimbursement of up to $2,000 to the adoptive parent or parents for costs incurred in adopting a child with special needs. The commissioner shall determine the child’s eligibility for adoption expense reimbursement under title IV-E of the Social Security Act, United States Code, title 42, sections 670 to 676. To be reimbursed, costs must be reasonable, necessary, and directly related to the legal adoption of the child. An individual may apply for reimbursement for costs incurred in an adoption of a child with special needs under section 259A.70.

Sec. 4. Minnesota Statutes 2010, section 260C.301, subdivision 1, is amended to read:

Subdivision 1. **Voluntary and involuntary.** The juvenile court may upon petition, terminate all rights of a parent to a child:

(a) with the written consent of a parent who for good cause desires to terminate parental rights; or

(b) if it finds that one or more of the following conditions exist:

(1) that the parent has abandoned the child;

(2) that the parent has substantially, continuously, or repeatedly refused or neglected to comply with the duties imposed upon that parent by the parent and child relationship, including but not limited to providing the child with necessary food, clothing, shelter, education, and other care and control necessary for the child's physical, mental, or emotional health and development, if the parent is physically and financially able, and either reasonable efforts by the social services agency have failed to correct the conditions that formed the basis of the petition or reasonable efforts would be futile and therefore unreasonable;

(3) that a parent has been ordered to contribute to the support of the child or financially aid in the child's birth and has continuously failed to do so without good cause. This clause shall not be construed to state a grounds for termination of parental rights of a noncustodial parent if that parent has not been ordered to or cannot financially contribute to the support of the child or aid in the child's birth;
(4) that a parent is palpably unfit to be a party to the parent and child relationship because of a consistent pattern of specific conduct before the child or of specific conditions directly relating to the parent and child relationship either of which are determined by the court to be of a duration or nature that renders the parent unable, for the reasonably foreseeable future, to care appropriately for the ongoing physical, mental, or emotional needs of the child. It is presumed that a parent is palpably unfit to be a party to the parent and child relationship upon a showing that the parent's parental rights to one or more other children were involuntarily terminated or that the parent's custodial rights to another child have been involuntarily transferred to a relative under section 260C.201, subdivision 11, paragraph (e), clause (1), or a similar law of another jurisdiction;

(5) that following the child's placement out of the home, reasonable efforts, under the direction of the court, have failed to correct the conditions leading to the child's placement. It is presumed that reasonable efforts under this clause have failed upon a showing that:

(i) a child has resided out of the parental home under court order for a cumulative period of 12 months within the preceding 22 months. In the case of a child under age eight at the time the petition was filed alleging the child to be in need of protection or services, the presumption arises when the child has resided out of the parental home under court order for six months unless the parent has maintained regular contact with the child and the parent is complying with the out-of-home placement plan;

(ii) the court has approved the out-of-home placement plan required under section 260C.212 and filed with the court under section 260C.178;

(iii) conditions leading to the out-of-home placement have not been corrected. It is presumed that conditions leading to a child's out-of-home placement have not been corrected upon a showing that the parent or parents have not substantially complied with the court's orders and a reasonable case plan; and

(iv) reasonable efforts have been made by the social services agency to rehabilitate the parent and reunite the family.

This clause does not prohibit the termination of parental rights prior to one year, or in the case of a child under age eight, prior to six months after a child has been placed out of the home.

It is also presumed that reasonable efforts have failed under this clause upon a showing that:

(A) the parent has been diagnosed as chemically dependent by a professional certified to make the diagnosis;

(B) the parent has been required by a case plan to participate in a chemical dependency treatment program;

(C) the treatment programs offered to the parent were culturally, linguistically, and clinically appropriate;

(D) the parent has either failed two or more times to successfully complete a treatment program or has refused at two or more separate meetings with a caseworker to participate in a treatment program; and

(E) the parent continues to abuse chemicals.

(6) that a child has experienced egregious harm in the parent's care which is of a nature, duration, or chronicity that indicates a lack of regard for the child's well-being, such that a reasonable person would believe it contrary to the best interest of the child or of any child to be in the parent's care;

(7) that in the case of a child born to a mother who was not married to the child's father when the child was conceived nor when the child was born the person is not entitled to notice of an adoption hearing under section 259.49 and the person has not registered with the fathers' adoption registry under section 259.52;
(8) that the child is neglected and in foster care; or

(9) that the parent has been convicted of a crime listed in section 260.012, paragraph (g), clauses (1) to (5).

In an action involving an American Indian child, sections 260.751 to 260.835 and the Indian Child Welfare Act, United States Code, title 25, sections 1901 to 1923, control to the extent that the provisions of this section are inconsistent with those laws.

Sec. 5. Minnesota Statutes 2010, section 260D.08, is amended to read:

**260D.08 ANNUAL REVIEW.**

(a) After the court conducts a permanency review hearing under section 260D.07, the matter must be returned to the court for further review of the responsible social services reasonable efforts to finalize the permanent plan for the child and the child's foster care placement at least every 12 months while the child is in foster care. The court shall give notice to the parent and child, age 12 or older, and the foster parents of the continued review requirements under this section at the permanency review hearing.

(b) Every 12 months, the court shall determine whether the agency made reasonable efforts to finalize the permanency plan for the child, which means the exercise of due diligence by the agency to:

1. ensure that the agreement for voluntary foster care is the most appropriate legal arrangement to meet the child's safety, health, and best interests and to conduct a genuine examination of whether there is another permanency disposition order under chapter 260C, including returning the child home, that would better serve the child's need for a stable and permanent home;

2. engage and support the parent in continued involvement in planning and decision making for the needs of the child;

3. strengthen the child's ties to the parent, relatives, and community;

4. implement the out-of-home placement plan required under section 260C.212, subdivision 1, and ensure that the plan requires the provision of appropriate services to address the physical health, mental health, and educational needs of the child; and

5. ensure appropriate planning for the child's safe, permanent, and independent living arrangement after the child's 18th birthday.

Sec. 6. [611.012] DISPOSITION OF CHILD OF PARENT ARRESTED.

A peace officer who arrests a person accompanied by a child of the person may release the child to any person designated by the parent unless it is necessary to remove the child under section 260C.175 because the child is found in surroundings or conditions which endanger the child's health or welfare or which the peace officer reasonably believes will endanger the child's health or welfare. An officer releasing a child under this section to a person designated by the parent has no civil or criminal liability for the child's release.

Sec. 7. Minnesota Statutes 2010, section 626.556, subdivision 2, is amended to read:

**Subd. 2. Definitions.** As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:
(a) "Family assessment" means a comprehensive assessment of child safety, risk of subsequent child maltreatment, and family strengths and needs that is applied to a child maltreatment report that does not allege substantial child endangerment. Family assessment does not include a determination as to whether child maltreatment occurred but does determine the need for services to address the safety of family members and the risk of subsequent maltreatment.

(b) "Investigation" means fact gathering related to the current safety of a child and the risk of subsequent maltreatment that determines whether child maltreatment occurred and whether child protective services are needed. An investigation must be used when reports involve substantial child endangerment, and for reports of maltreatment in facilities required to be licensed under chapter 245A or 245B; under sections 144.50 to 144.58 and 241.021; in a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10; or in a nonlicensed personal care provider association as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(c) "Substantial child endangerment" means a person responsible for a child's care, and in the case of sexual abuse includes a person who has a significant relationship to the child as defined in section 609.341, or a person in a position of authority as defined in section 609.341, who by act or omission commits or attempts to commit an act against a child under their care that constitutes any of the following:

1. egregious harm as defined in section 260C.007, subdivision 14;
2. sexual abuse as defined in paragraph (d);
3. abandonment under section 260C.301, subdivision 2;
4. neglect as defined in paragraph (f), clause (2), that substantially endangers the child's physical or mental health, including a growth delay, which may be referred to as failure to thrive, that has been diagnosed by a physician and is due to parental neglect;
5. murder in the first, second, or third degree under section 609.185, 609.19, or 609.195;
6. manslaughter in the first or second degree under section 609.20 or 609.205;
7. assault in the first, second, or third degree under section 609.221, 609.222, or 609.223;
8. solicitation, inducement, and promotion of prostitution under section 609.322;
9. criminal sexual conduct under sections 609.342 to 609.3451;
10. solicitation of children to engage in sexual conduct under section 609.352;
11. malicious punishment or neglect or endangerment of a child under section 609.377 or 609.378;
12. use of a minor in sexual performance under section 617.246; or
13. parental behavior, status, or condition which mandates that the county attorney file a termination of parental rights petition under section 260C.301, subdivision 3, paragraph (a).

(d) "Sexual abuse" means the subjection of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342 (criminal sexual conduct in the first degree), 609.343 (criminal sexual conduct in the second degree), 609.344 (criminal sexual...
conduct in the third degree), 609.345 (criminal sexual conduct in the fourth degree), or 609.3451 (criminal sexual conduct in the fifth degree). Sexual abuse also includes any act which involves a minor which constitutes a violation of prostitution offenses under sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse which includes the status of a parent or household member who has committed a violation which requires registration as an offender under section 243.166, subdivision 1b, paragraph (a) or (b), or required registration under section 243.166, subdivision 1b, paragraph (a) or (b).

(e) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a teacher, school administrator, other school employees or agents, or other lawful custodian of a child having either full-time or short-term care responsibilities including, but not limited to, day care, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(f) "Neglect" means the commission or omission of any of the acts specified under clauses (1) to (9), other than by accidental means:

(1) failure by a person responsible for a child's care to supply a child with necessary food, clothing, shelter, health, medical, or other care required for the child's physical or mental health when reasonably able to do so;

(2) failure to protect a child from conditions or actions that seriously endanger the child's physical or mental health when reasonably able to do so, including a growth delay, which may be referred to as a failure to thrive, that has been diagnosed by a physician and is due to parental neglect;

(3) failure to provide for necessary supervision or child care arrangements appropriate for a child after considering factors as the child's age, mental ability, physical condition, length of absence, or environment, when the child is unable to care for the child's own basic needs or safety, or the basic needs or safety of another child in their care;

(4) failure to ensure that the child is educated as defined in sections 120A.22 and 260C.163, subdivision 11, which does not include a parent's refusal to provide the parent's child with sympathomimetic medications, consistent with section 125A.091, subdivision 5;

(5) nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has a duty to report if a lack of medical care may cause serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care;

(6) prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance, or the presence of a Fetal Alcohol Spectrum Disorder;

(7) "medical neglect" as defined in section 260C.007, subdivision 6, clause (5);

(8) chronic and severe use of alcohol or a controlled substance by a parent or person responsible for the care of the child that adversely affects the child's basic needs and safety; or
(9) emotional harm from a pattern of behavior which contributes to impaired emotional functioning of the child which may be demonstrated by a substantial and observable effect in the child's behavior, emotional response, or cognition that is not within the normal range for the child's age and stage of development, with due regard to the child's culture.

(g) "Physical abuse" means any physical injury, mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive or deprivation procedures, or regulated interventions, that have not been authorized under section 121A.67 or 245.825.

Abuse does not include reasonable and moderate physical discipline of a child administered by a parent or legal guardian which does not result in an injury. Abuse does not include the use of reasonable force by a teacher, principal, or school employee as allowed by section 121A.582. Actions which are not reasonable and moderate include, but are not limited to, any of the following that are done in anger or without regard to the safety of the child:

(1) throwing, kicking, burning, biting, or cutting a child;

(2) striking a child with a closed fist;

(3) shaking a child under age three;

(4) striking or other actions which result in any nonaccidental injury to a child under 18 months of age;

(5) unreasonable interference with a child's breathing;

(6) threatening a child with a weapon, as defined in section 609.02, subdivision 6;

(7) striking a child under age one on the face or head;

(8) purposely giving a child poison, alcohol, or dangerous, harmful, or controlled substances which were not prescribed for the child by a practitioner, in order to control or punish the child; or other substances that substantially affect the child's behavior, motor coordination, or judgment or that results in sickness or internal injury, or subjects the child to medical procedures that would be unnecessary if the child were not exposed to the substances;

(9) unreasonable physical confinement or restraint not permitted under section 609.379, including but not limited to tying, caging, or chaining; or

(10) in a school facility or school zone, an act by a person responsible for the child's care that is a violation under section 121A.58.

(h) "Report" means any report received by the local welfare agency, police department, county sheriff, or agency responsible for assessing or investigating maltreatment pursuant to this section.

(i) "Facility" means:

(1) a licensed or unlicensed day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed under sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16, or chapter 245B;

(2) a school as defined in sections 120A.05, subdivisions 9, 11, and 13; and 124D.10; or
(3) a nonlicensed personal care provider organization as defined in sections 256B.04, subdivision 16, and 256B.0625, subdivision 19a.

(j) "Operator" means an operator or agency as defined in section 245A.02.

(k) "Commissioner" means the commissioner of human services.

(l) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem and parenting time expeditor services.

(m) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(n) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury. Threatened injury includes, but is not limited to, exposing a child to a person responsible for the child's care, as defined in paragraph (e), clause (1), who has:

(1) subjected a child to, or failed to protect a child from, an overt act or condition that constitutes egregious harm, as defined in section 260C.007, subdivision 14, or a similar law of another jurisdiction;

(2) been found to be palpably unfit under section 260C.301, paragraph (b), clause (4), or a similar law of another jurisdiction;

(3) committed an act that has resulted in an involuntary termination of parental rights under section 260C.301, or a similar law of another jurisdiction; or

(4) committed an act that has resulted in the involuntary transfer of permanent legal and physical custody of a child to a relative under section 260C.201, subdivision 11, paragraph (d), clause (1), or a similar law of another jurisdiction.

(o) Persons who conduct assessments or investigations under this section shall take into account accepted child-rearing practices of the culture in which a child participates and accepted teacher discipline practices, which are not injurious to the child's health, welfare, and safety.

(p) "Accidental" means a sudden, not reasonably foreseeable, and unexpected occurrence or event which:

(1) is not likely to occur and could not have been prevented by exercise of due care; and

(2) if occurring while a child is receiving services from a facility, happens when the facility and the employee or person providing services in the facility are in compliance with the laws and rules relevant to the occurrence or event.

(q) "Nonmaltreatment mistake" means:

(1) at the time of the incident, the individual was performing duties identified in the center's child care program plan required under Minnesota Rules, part 9503.0045;

(2) the individual has not been determined responsible for a similar incident that resulted in a finding of maltreatment for at least seven years;
(3) the individual has not been determined to have committed a similar nonmaltreatment mistake under this paragraph for at least four years;

(4) any injury to a child resulting from the incident, if treated, is treated only with remedies that are available over the counter, whether ordered by a medical professional or not; and

(5) except for the period when the incident occurred, the facility and the individual providing services were both in compliance with all licensing requirements relevant to the incident.

This definition only applies to child care centers licensed under Minnesota Rules, chapter 9503. If clauses (1) to (5) apply, rather than making a determination of substantiated maltreatment by the individual, the commissioner of human services shall determine that a nonmaltreatment mistake was made by the individual.

Sec. 8. Minnesota Statutes 2010, section 626.556, subdivision 10, is amended to read:

Subd. 10. Duties of local welfare agency and local law enforcement agency upon receipt of report. (a) Upon receipt of a report, the local welfare agency shall determine whether to conduct a family assessment or an investigation as appropriate to prevent or provide a remedy for child maltreatment. The local welfare agency:

(1) shall conduct an investigation on reports involving substantial child endangerment;

(2) shall begin an immediate investigation if, at any time when it is using a family assessment response, it determines that there is reason to believe that substantial child endangerment or a serious threat to the child's safety exists;

(3) may conduct a family assessment for reports that do not allege substantial child endangerment. In determining that a family assessment is appropriate, the local welfare agency may consider issues of child safety, parental cooperation, and the need for an immediate response; and

(4) may conduct a family assessment on a report that was initially screened and assigned for an investigation. In determining that a complete investigation is not required, the local welfare agency must document the reason for terminating the investigation and notify the local law enforcement agency if the local law enforcement agency is conducting a joint investigation.

If the report alleges neglect, physical abuse, or sexual abuse by a parent, guardian, or individual functioning within the family unit as a person responsible for the child's care, or sexual abuse by a person with a significant relationship to the child when that person resides in the child's household or by a sibling, the local welfare agency shall immediately conduct a family assessment or investigation as identified in clauses (1) to (4). In conducting a family assessment or investigation, the local welfare agency shall gather information on the existence of substance abuse and domestic violence and offer services for purposes of preventing future child maltreatment, safeguarding and enhancing the welfare of the abused or neglected minor, and supporting and preserving family life whenever possible. If the report alleges a violation of a criminal statute involving sexual abuse, physical abuse, or neglect or endangerment, under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. In cases of alleged child maltreatment resulting in death, the local agency may rely on the fact-finding efforts of a law enforcement investigation to make a determination of whether or not maltreatment occurred. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.
If the family assessment or investigation indicates there is a potential for abuse of alcohol or other drugs by the parent, guardian, or person responsible for the child's care, the local welfare agency shall conduct a chemical use assessment pursuant to Minnesota Rules, part 9530.6615.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97. The commissioner of education shall inform the ombudsman established under sections 245.91 to 245.97 of reports regarding a child defined as a client in section 245.91 that maltreatment occurred at a school as defined in sections 120A.05, subdivisions 9, 11, and 13, and 124D.10.

(c) Authority of the local welfare agency responsible for assessing or investigating the child abuse or neglect report, the agency responsible for assessing or investigating the report, and of the local law enforcement agency for investigating the alleged abuse or neglect includes, but is not limited to, authority to interview, without parental consent, the alleged victim and any other minors who currently reside with or who have resided with the alleged offender. The interview may take place at school or at any facility or other place where the alleged victim or other minors might be found or the child may be transported to, and the interview conducted at, a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the alleged offender or parent, legal custodian, guardian, or school official. For family assessments, it is the preferred practice to request a parent or guardian's permission to interview the child prior to conducting the child interview, unless doing so would compromise the safety assessment. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment that this interview has occurred. Notwithstanding rule 32 of the Minnesota Rules of Procedure for Juvenile Courts, the juvenile court may, after hearing on an ex parte motion by the local welfare agency, order that, where reasonable cause exists, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare, local law enforcement agency, or the agency responsible for assessing or investigating a report of maltreatment determines that an interview should take place on school property, written notification of intent to interview the child on school property must be received by school officials prior to the interview. The notification shall include the name of the child to be interviewed, the purpose of the interview, and a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the local social services agency or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded, unless a school employee or agent is alleged to have maltreated the child. Until that time, the local welfare or law enforcement agency or the agency responsible for assessing or investigating a report of maltreatment shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged offender is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. The conditions as to time, place, and manner of the interview set by the school officials shall be reasonable and the interview shall be conducted not more than 24 hours after the receipt of the notification unless another time is
considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must be made to reduce the disruption of the educational program of the child, other students, or school staff when an interview is conducted on school premises.

(e) Where the alleged offender or a person responsible for the care of the alleged victim or other minor prevents access to the victim or other minor by the local welfare agency, the juvenile court may order the parents, legal custodian, or guardian to produce the alleged victim or other minor for questioning by the local welfare agency or the local law enforcement agency outside the presence of the alleged offender or any person responsible for the child's care at reasonable places and times as specified by court order.

(f) Before making an order under paragraph (e), the court shall issue an order to show cause, either upon its own motion or upon a verified petition, specifying the basis for the requested interviews and fixing the time and place of the hearing. The order to show cause shall be served personally and shall be heard in the same manner as provided in other cases in the juvenile court. The court shall consider the need for appointment of a guardian ad litem to protect the best interests of the child. If appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner of human services, the ombudsman for mental health and developmental disabilities, the local welfare agencies responsible for investigating reports, the commissioner of education, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical records, as part of the investigation. Notwithstanding the provisions of chapter 13, they also have the right to inform the facility under investigation that they are conducting an investigation, to disclose to the facility the names of the individuals under investigation for abusing or neglecting a child, and to provide the facility with a copy of the report and the investigative findings.

(h) The local welfare agency responsible for conducting a family assessment or investigation shall collect available and relevant information to determine child safety, risk of subsequent child maltreatment, and family strengths and needs and share not public information with an Indian's tribal social services agency without violating any law of the state that may otherwise impose duties of confidentiality on the local welfare agency in order to implement the tribal state agreement. The local welfare agency or the agency responsible for investigating the report shall collect available and relevant information to ascertain whether maltreatment occurred and whether protective services are needed. Information collected includes, when relevant, information with regard to the person reporting the alleged maltreatment, including the nature of the reporter's relationship to the child and to the alleged offender, and the basis of the reporter's knowledge for the report; the child allegedly being maltreated; the alleged offender; the child's caretaker; and other collateral sources having relevant information related to the alleged maltreatment. The local welfare agency or the agency responsible for investigating the report may make a determination of no maltreatment early in an assessment investigation, and close the case and retain immunity, if the collected information shows no basis for a full assessment or investigation.

Information relevant to the assessment or investigation must be asked for, and may include:

(1) the child's sex and age, prior reports of maltreatment, information relating to developmental functioning, credibility of the child's statement, and whether the information provided under this clause is consistent with other information collected during the course of the assessment or investigation;

(2) the alleged offender's age, a record check for prior reports of maltreatment, and criminal charges and convictions. The local welfare agency or the agency responsible for assessing or investigating the report must provide the alleged offender with an opportunity to make a statement. The alleged offender may submit supporting documentation relevant to the assessment or investigation;
(3) collateral source information regarding the alleged maltreatment and care of the child. Collateral information includes, when relevant: (i) a medical examination of the child; (ii) prior medical records relating to the alleged maltreatment or the care of the child maintained by any facility, clinic, or health care professional and an interview with the treating professionals; and (iii) interviews with the child's caretakers, including the child's parent, guardian, foster parent, child care provider, teachers, counselors, family members, relatives, and other persons who may have knowledge regarding the alleged maltreatment and the care of the child; and

(4) information on the existence of domestic abuse and violence in the home of the child, and substance abuse.

Nothing in this paragraph precludes the local welfare agency, the local law enforcement agency, or the agency responsible for assessing or investigating the report from collecting other relevant information necessary to conduct the assessment or investigation. Notwithstanding sections 13.384 or 144.291 to 144.298, the local welfare agency has access to medical data and records for purposes of clause (3). Notwithstanding the data's classification in the possession of any other agency, data acquired by the local welfare agency or the agency responsible for assessing or investigating the report during the course of the assessment or investigation are private data on individuals and must be maintained in accordance with subdivision 11. Data of the commissioner of education collected or maintained during and for the purpose of an investigation of alleged maltreatment in a school are governed by this section, notwithstanding the data's classification as educational, licensing, or personnel data under chapter 13.

In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (i), the commissioner of education shall collect investigative reports and data that are relevant to a report of maltreatment and are from local law enforcement and the school facility.

(i) Upon receipt of a report, the local welfare agency shall conduct a face-to-face contact with the child reported to be maltreated and with the child's primary caregiver sufficient to complete a safety assessment and ensure the immediate safety of the child. The face-to-face contact with the child and primary caregiver shall occur immediately if substantial child endangerment is alleged and within five calendar days for all other reports. If the alleged offender was not already interviewed as the primary caregiver, the local welfare agency shall also conduct a face-to-face interview with the alleged offender in the early stages of the assessment or investigation. At the initial contact, the local child welfare agency or the agency responsible for assessing or investigating the report must inform the alleged offender of the complaints or allegations made against the individual in a manner consistent with laws protecting the rights of the person who made the report. The interview with the alleged offender may be postponed if it would jeopardize an active law enforcement investigation.

(j) When conducting an investigation, the local welfare agency shall use a question and answer interviewing format with questioning as nondirective as possible to elicit spontaneous responses. For investigations only, the following interviewing methods and procedures must be used whenever possible when collecting information:

(1) audio recordings of all interviews with witnesses and collateral sources; and

(2) in cases of alleged sexual abuse, audio-video recordings of each interview with the alleged victim and child witnesses.

(k) In conducting an assessment or investigation involving a school facility as defined in subdivision 2, paragraph (i), the commissioner of education shall collect available and relevant information and use the procedures in paragraphs (i), (k), and subdivision 3d, except that the requirement for face-to-face observation of the child and face-to-face interview of the alleged offender is to occur in the initial stages of the assessment or investigation provided that the commissioner may also base the assessment or investigation on investigative reports and data received from the school facility and local law enforcement, to the extent those investigations satisfy the requirements of paragraphs (i) and (k), and subdivision 3d.
Sec. 9.  Minnesota Statutes 2010, section 626.556, subdivision 10e, is amended to read:

Subd. 10e.  Determinations.  (a) The local welfare agency shall conclude the family assessment or the investigation within 45 days of the receipt of a report. The conclusion of the assessment or investigation may be extended to permit the completion of a criminal investigation or the receipt of expert information requested within 45 days of the receipt of the report.

(b) After conducting a family assessment, the local welfare agency shall determine whether services are needed to address the safety of the child and other family members and the risk of subsequent maltreatment.

(c) After conducting an investigation, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed. No determination of maltreatment shall be made when the alleged perpetrator is a child under the age of ten.

(d) If the commissioner of education conducts an assessment or investigation, the commissioner shall determine whether maltreatment occurred and what corrective or protective action was taken by the school facility. If a determination is made that maltreatment has occurred, the commissioner shall report to the employer, the school board, and any appropriate licensing entity the determination that maltreatment occurred and what corrective or protective action was taken by the school facility. In all other cases, the commissioner shall inform the school board or employer that a report was received, the subject of the report, the date of the initial report, the category of maltreatment alleged as defined in paragraph (f), the fact that maltreatment was not determined, and a summary of the specific reasons for the determination.

(e) When maltreatment is determined in an investigation involving a facility, the investigating agency shall also determine whether the facility or individual was responsible, or whether both the facility and the individual were responsible for the maltreatment using the mitigating factors in paragraph (i). Determinations under this subdivision must be made based on a preponderance of the evidence and are private data on individuals or nonpublic data as maintained by the commissioner of education.

(f) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions:

(1) physical abuse as defined in subdivision 2, paragraph (g);

(2) neglect as defined in subdivision 2, paragraph (f);

(3) sexual abuse as defined in subdivision 2, paragraph (d);

(4) mental injury as defined in subdivision 2, paragraph (m); or

(5) maltreatment of a child in a facility as defined in subdivision 2, paragraph (i).

(g) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

(h) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.
(i) When determining whether the facility or individual is the responsible party, or whether both the facility and the individual are responsible for determined maltreatment in a facility, the investigating agency shall consider at least the following mitigating factors:

1. Whether the actions of the facility or the individual caregivers were according to, and followed the terms of, an erroneous physician order, prescription, individual care plan, or directive; however, this is not a mitigating factor when the facility or caregiver was responsible for the issuance of the erroneous order, prescription, individual care plan, or directive or knew or should have known of the errors and took no reasonable measures to correct the defect before administering care;

2. Comparative responsibility between the facility, other caregivers, and requirements placed upon an employee, including the facility's compliance with related regulatory standards and the adequacy of facility policies and procedures, training, an individual's participation in the training, the caregiver's supervision, and facility staffing levels and the scope of the individual employee's authority and discretion; and

3. Whether the facility or individual followed professional standards in exercising professional judgment.

The evaluation of the facility's responsibility under clause (2) must not be based on the completeness of the risk assessment or risk reduction plan required under section 245A.66, but must be based on the facility's compliance with the regulatory standards for policies and procedures, training, and supervision as cited in Minnesota Statutes and Minnesota Rules.

(j) Notwithstanding paragraph (i), when maltreatment is determined to have been committed by an individual who is also the facility license holder, both the individual and the facility must be determined responsible for the maltreatment, and both the background study disqualification standards under section 245C.15, subdivision 4, and the licensing actions under sections 245A.06 or 245A.07 apply.

(k) Individual counties may implement more detailed definitions or criteria that indicate which allegations to investigate, as long as a county's policies are consistent with the definitions in the statutes and rules and are approved by the county board. Each local welfare agency shall periodically inform mandated reporters under subdivision 3 who work in the county of the definitions of maltreatment in the statutes and rules and any additional definitions or criteria that have been approved by the county board.

Sec. 10. Minnesota Statutes 2010, section 626.556, subdivision 10f, is amended to read:

Subd. 10f. Notice of determinations. Within ten working days of the conclusion of a family assessment, the local welfare agency shall notify the parent or guardian of the child of the need for services to address child safety concerns or significant risk of subsequent child maltreatment. The local welfare agency and the family may also jointly agree that family support and family preservation services are needed. Within ten working days of the conclusion of an investigation, the local welfare agency or agency responsible for assessing or investigating the report shall notify the parent or guardian of the child, the person determined to be maltreating the child, and if applicable, the director of the facility, of the determination and a summary of the specific reasons for the determination. When the investigation involves a child foster care setting that is monitored by a private licensing agency under section 245A.16, the local welfare agency responsible for assessing or investigating the report shall notify the private licensing agency of the determination and shall provide a summary of the specific reasons for the determination. The notice to the private licensing agency must include identifying private data, but not the identity of the reporter of maltreatment. The notice must also include a certification that the information collection procedures under subdivision 10, paragraphs (h), (i), and (j), were followed and a notice of the right of a data subject to obtain access to other private data on the subject collected, created, or maintained under this section. In addition, the notice shall include the length of time that the records will be kept under subdivision 11c. The investigating agency shall notify the parent or guardian of the child who is the subject of the report, and any person or facility
determined to have maltreated a child, of their appeal or review rights under this section or section 256.022. The notice must also state that a finding of maltreatment may result in denial of a license application or background study disqualification under chapter 245C related to employment or services that are licensed by the Department of Human Services under chapter 245A, the Department of Health under chapter 144 or 144A, the Department of Corrections under section 241.021, and from providing services related to an unlicensed personal care provider organization under chapter 256B.

Sec. 11. Minnesota Statutes 2010, section 626.556, subdivision 10i, is amended to read:

Subd. 10i. **Administrative reconsideration; review panel.** (a) Administrative reconsideration is not applicable in family assessments since no determination concerning maltreatment is made. For investigations, except as provided under paragraph (e), an individual or facility that the commissioner of human services, a local social service agency, or the commissioner of education determines has maltreated a child, an interested person acting on behalf of the child, regardless of the determination, who contests the investigating agency's final determination regarding maltreatment, may request the investigating agency to reconsider its final determination regarding maltreatment. The request for reconsideration must be submitted in writing to the investigating agency within 15 calendar days after receipt of notice of the final determination regarding maltreatment or, if the request is made by an interested person who is not entitled to notice, within 15 days after receipt of the notice by the parent or guardian of the child. If mailed, the request for reconsideration must be postmarked and sent to the investigating agency within 15 calendar days of the individual's or facility's receipt of the final determination. If the request for reconsideration is made by personal service, it must be received by the investigating agency within 15 calendar days after the individual's or facility's receipt of the final determination. Effective January 1, 2002, an individual who was determined to have maltreated a child under this section and who was disqualified on the basis of serious or recurring maltreatment under sections 245C.14 and 245C.15, may request reconsideration of the maltreatment determination and the disqualification. The request for reconsideration of the maltreatment determination and the disqualification must be submitted within 30 calendar days of the individual's receipt of the notice of disqualification under sections 245C.16 and 245C.17. If mailed, the request for reconsideration of the maltreatment determination and the disqualification must be postmarked and sent to the investigating agency within 30 calendar days of the individual's receipt of the maltreatment determination and notice of disqualification. If the request for reconsideration is made by personal service, it must be received by the investigating agency within 30 calendar days after the individual's receipt of the notice of disqualification.

(b) Except as provided under paragraphs (e) and (f), if the investigating agency denies the request or fails to act upon the request within 15 working days after receiving the request for reconsideration, the person or facility entitled to a fair hearing under section 256.045 may submit to the commissioner of human services or the commissioner of education a written request for a hearing under that section. Section 256.045 also governs hearings requested to contest a final determination of the commissioner of education. For reports involving maltreatment of a child in a facility, an interested person acting on behalf of the child may request a review by the Child Maltreatment Review Panel under section 256.022 if the investigating agency denies the request or fails to act upon the request or if the interested person contests a reconsidered determination. The investigating agency shall notify persons who request reconsideration of their rights under this paragraph. The request must be submitted in writing to the review panel and a copy sent to the investigating agency within 30 calendar days of receipt of notice of a denial of a request for reconsideration or of a reconsidered determination. The request must specifically identify the aspects of the agency determination with which the person is dissatisfied. The hearings specified under this section are the only administrative appeal of a decision issued under paragraph (a). Determinations under this section are not subject to accuracy and completeness challenges under section 13.04.

(c) If, as a result of a reconsideration or review, the investigating agency changes the final determination of maltreatment, that agency shall notify the parties specified in subdivisions 10b, 10d, and 10f.
(d) Except as provided under paragraph (f), if an individual or facility contests the investigating agency's final determination regarding maltreatment by requesting a fair hearing under section 256.045, the commissioner of human services shall assure that the hearing is conducted and a decision is reached within 90 days of receipt of the request for a hearing. The time for action on the decision may be extended for as many days as the hearing is postponed or the record is held open for the benefit of either party.

(e) If an individual was disqualified under sections 245C.14 and 245C.15, on the basis of a determination of maltreatment, which was serious or recurring, and the individual has requested reconsideration of the maltreatment determination under paragraph (a) and requested reconsideration of the disqualification under sections 245C.21 to 245C.27, reconsideration of the maltreatment determination and reconsideration of the disqualification shall be consolidated into a single reconsideration. If reconsideration of the maltreatment determination is denied and the individual remains disqualified following a reconsideration decision, the individual may request a fair hearing under section 256.045. If an individual requests a fair hearing on the maltreatment determination and the disqualification, the scope of the fair hearing shall include both the maltreatment determination and the disqualification.

(f) If a maltreatment determination or a disqualification based on serious or recurring maltreatment is the basis for a denial of a license under section 245A.05 or a licensing sanction under section 245A.07, the license holder has the right to a contested case hearing under chapter 14 and Minnesota Rules, parts 1400.8505 to 1400.8612. As provided for under section 245A.08, subdivision 2a, the scope of the contested case hearing shall include the maltreatment determination, disqualification, and licensing sanction or denial of a license. In such cases, a fair hearing regarding the maltreatment determination and disqualification shall not be conducted under section 256.045. Except for family child care and child foster care, reconsideration of a maltreatment determination as provided under this subdivision, and reconsideration of a disqualification as provided under section 245C.22, shall also not be conducted when:

1. a denial of a license under section 245A.05 or a licensing sanction under section 245A.07, is based on a determination that the license holder is responsible for maltreatment or the disqualification of a license holder based on serious or recurring maltreatment;

2. the denial of a license or licensing sanction is issued at the same time as the maltreatment determination or disqualification; and

3. the license holder appeals the maltreatment determination or disqualification, and denial of a license or licensing sanction.

Notwithstanding clauses (1) to (3), if the license holder appeals the maltreatment determination or disqualification, but does not appeal the denial of a license or a licensing sanction, reconsideration of the maltreatment determination shall be conducted under sections 626.556, subdivision 10i, and 626.557, subdivision 9d, and reconsideration of the disqualification shall be conducted under section 245C.22. In such cases, a fair hearing shall also be conducted as provided under sections 245C.27, 626.556, subdivision 10i, and 626.557, subdivision 9d.

If the disqualified subject is an individual other than the license holder and upon whom a background study must be conducted under chapter 245C, the hearings of all parties may be consolidated into a single contested case hearing upon consent of all parties and the administrative law judge.

(g) For purposes of this subdivision, "interested person acting on behalf of the child" means a parent or legal guardian; stepparent; grandparent; guardian ad litem; adult stepbrother, stepsister, or sibling; or adult aunt or uncle; unless the person has been determined to be the perpetrator of the maltreatment.
Sec. 12. Minnesota Statutes 2010, section 626.556, subdivision 10k, is amended to read:

Subd. 10k. **Release of certain assessment or investigative records to other counties.** Records maintained under subdivision 11c, paragraph (a), may be shared with another local welfare agency that requests the information because it is conducting an assessment or investigation under this section of the subject of the records.

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

(a) The revisor of statutes shall renumber each section of Minnesota Statutes listed in column A with the number listed in column B.

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<th>Column A</th>
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<tr>
<td>259.69</td>
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<tr>
<td>260C.217</td>
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<td>260C.212, subd. 6</td>
<td>260C.521, subd. 4</td>
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<td>260C.205</td>
<td>260D.11</td>
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(b) The revisor of statutes shall make necessary cross-reference changes in Minnesota Statutes and Minnesota Rules consistent with the numbering in articles 1 and 2 and the renumbering in paragraph (a).

**ARTICLE 4 CHILD SUPPORT**

Section 1. Minnesota Statutes 2010, section 257.75, subdivision 7, is amended to read:

Subd. 7. **Hospital and Department of Health distribution of educational materials; recognition form.** Hospitals that provide obstetric services and the state registrar of vital statistics shall distribute the educational materials and recognition of parentage forms prepared by the commissioner of human services to new parents and shall assist parents in understanding the recognition of parentage form, including following the provisions for notice under subdivision 5; shall aid new parents in properly completing the recognition of parentage form, including providing notary services; and shall timely file the completed recognition of parentage form with the office of the state registrar of vital statistics. On and after January 1, 1994, hospitals may not distribute the declaration of parentage forms.

Sec. 2. Minnesota Statutes 2010, section 518C.205, is amended to read:

**518C.205 CONTINUING, EXCLUSIVE JURISDICTION.**

(a) A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a child support order unless:
(1) as long as this state remains no longer the residence of the obligor, the individual obligee, or and the child for whose benefit the support order is issued; or

(2) until all of the parties who are individuals have filed written consents with the tribunal of this state for a tribunal of another state to modify the order and assume continuing, exclusive jurisdiction.

(b) A tribunal of this state issuing a child support order consistent with the law of this state may not exercise its continuing jurisdiction to modify the order if the order has been modified by a tribunal of another state pursuant to this chapter or a law substantially similar to this chapter.

(c) If a child support order of this state is modified by a tribunal of another state pursuant to this chapter or a law substantially similar to this chapter, a tribunal of this state loses its continuing, exclusive jurisdiction with regard to prospective enforcement of the order issued in this state, and may only:

(1) enforce the order that was modified as to amounts accruing before the modification;

(2) enforce nonmodifiable aspects of that order; and

(3) provide other appropriate relief for violations of that order which occurred before the effective date of the modification.

(d) A tribunal of this state shall recognize the continuing, exclusive jurisdiction of a tribunal of another state which has issued a child support order pursuant to this chapter or a law substantially similar to this chapter.

(e) A temporary support order issued ex parte or pending resolution of a jurisdictional conflict does not create continuing, exclusive jurisdiction in the issuing tribunal.

(f) A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a spousal support order throughout the existence of the support obligation. A tribunal of this state may not modify a spousal support order issued by a tribunal of another state having continuing, exclusive jurisdiction over that order under the law of that state."

Amend the title as follows:

Page 1, line 2, after "reform" insert ", child protection, child support, and technical and conforming amendments"

Correct the title numbers accordingly

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.

Lanning from the Committee on State Government Finance to which was referred:

H. F. No. 1485, A bill for an act relating to gambling; modifying certain rates of tax on lawful gambling; providing for linked bingo and electronic pull-tabs; making clarifying, conforming, and technical changes; amending Minnesota Statutes 2010, sections 297E.02, subdivisions 1, 4, 6; 349.12, subdivisions 5, 12a, 25b, 25c, 25d, 29, 32, 32a; 349.13; 349.151, subdivisions 4b, 4c; 349.155, subdivisions 3, 4; 349.161, subdivision 1; 349.163, subdivisions 1, 6;
349.1635, subdivision 2; 349.165, subdivision 2; 349.17, subdivisions 6, 7, 8; 349.1721, by adding subdivisions; 349.18, subdivision 1; 349.211, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 349.

Reported the same back with the following amendments:

Page 5, line 20, after the period, insert "An electronic game device allowed under this chapter may not be a slot machine."

Page 17, after line 16, insert:

"Sec. 32. APPROPRIATION. $440,000 in fiscal year 2012 and $880,000 in fiscal year 2013 are appropriated from the lawful gambling regulation account in the special revenue fund to the Gambling Control Board for operating expenses related to the regulatory oversight of lawful gambling."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "appropriating money;"

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

The report was adopted.

Lanning from the Committee on State Government Finance to which was referred:

H. F. No. 1506, A bill for an act relating to state government; assigning new duties to the Legislative Commission on Planning and Fiscal Policy; transferring duties from executive agencies; appropriating money; amending Minnesota Statutes 2010, sections 3.885, subdivisions 1, 5, by adding a subdivision; 3.98; 3.987, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 3.885, is amended to read:

3.885 LEGISLATIVE COMMISSION ON PLANNING AND FISCAL POLICY.

Subdivision 1. Membership. The Legislative Commission on Planning and Fiscal Policy consists of nine three members of the senate appointed by the Subcommittee on Committees of the Committee on Rules and Administration and nine three members of the senate appointed by the senate minority leader, three members of the house of representatives appointed by the speaker, and three members of the house of representatives appointed by the house of representatives minority leader. Vacancies on the commission are filled in the same manner as original appointments. The commission shall elect a chair and a vice-chair from among its members. The chair alternates between a member of the senate and a member of the house of representatives in January of each odd-numbered year."
Subd. 2. **Compensation.** Members of the commission are compensated as provided by section 3.101.

Subd. 4. **Agencies to cooperate.** All departments, agencies, and education institutions of the executive and judicial branches must comply with a request of the commission or its staff for information, data, estimates, analysis, and statistics: (1) on the funding revenue operations, and other affairs of the department, agency, or education institution; and (2) to assist the commission in its duties to prepare fiscal notes, review revenue estimates, review local government impact notes, and prepare state revenue and expenditure forecasts. The commissioner of management and budget and the commissioner of revenue shall provide the commission with full and free access to information, data, estimates, and statistics in the possession of the Management and Budget and Revenue Departments on the state budget, revenue, expenditures, and tax expenditures.

Subd. 5. **Duties.** (a) The commission shall:

1. provide the legislature with research and analysis of current and projected state revenue, state expenditures, and state tax expenditures;

2. provide the legislature with a report analyzing the governor's proposed levels of revenue and expenditures for biennial budgets submitted under section 16A.11 as well as other supplemental budget submittals to the legislature by the governor;

3. provide an analysis of the impact of the governor's proposed revenue and expenditure plans for the next biennium;

4. conduct research on matters of economic and fiscal policy and report to the legislature on the result of the research;

5. provide economic reports and studies on the state of the state's economy, including trends and forecasts for consideration by the legislature;

6. conduct budget and tax studies and provide general fiscal and budgetary information;

7. review and make recommendations on the operation of state programs in order to appraise the implementation of state laws regarding the expenditure of funds and to recommend means of improving their efficiency;

8. recommend to the legislature changes in the mix of revenue sources for programs, in the percentage of state expenditures devoted to major programs, and in the role of the legislature in overseeing state government expenditures and revenue projections;

9. make a continuing study and investigation of the building needs of the government of the state of Minnesota, including, but not limited to the following: the current and future requirements of new buildings, the maintenance of existing buildings, rehabilitating and remodeling of old buildings, the planning for administrative offices, and the exploring of methods of financing building and related costs; and

10. conduct a continuing study of state-local finance, analyzing and making recommendations to the legislature on issues including levels of state support for political subdivisions, basic levels of local need, balances of local revenues and options, relationship of local taxes to individuals' ability to pay, and financial reporting by political subdivisions. In conducting this study, the commission shall consult with the governor, the staff of executive branch agencies, and the governor's Advisory Commission on State-Local Relations.
(b) In performing its duties under paragraph (a), the commission shall consider, among other things:

(1) the relative dependence on state tax revenues, federal funds, and user fees to support state-funded programs, and whether the existing mix of revenue sources is appropriate, given the purposes of the programs;

(2) the relative percentages of state expenditures that are devoted to major programs such as education, assistance to local government, aid to individuals, state agencies and institutions, and debt service; and

(3) the role of the legislature in overseeing state government expenditures, including legislative appropriation of money from the general fund, legislative appropriation of money from funds other than the general fund, state agency receipt of money into revolving and other dedicated funds and expenditure of money from these funds, and state agency expenditure of federal funds.

(c) The commission's recommendations must consider the long-term needs of the state. The recommendations must not duplicate work done by standing committees of the senate and house of representatives.

(d) The commission shall:

(1) prepare fiscal notes on pending legislation;

(2) review revenue estimates prepared under section 270C.11, subdivision 5, on pending legislation;

(3) review local government impact notes prepared under section 3.987; and

(4) prepare a forecast of state revenues and expenditures.

(e) The commission shall report to the legislature on its activities and recommendations by January 15 of each odd-numbered year.

(f) The commission shall provide the public with printed and electronic copies of reports and information for the legislature. Copies must be provided at the actual cost of furnishing each copy.

Subd. 5a. Staff; contracts for service. The commission must hire an executive director. The executive director may employ other staff. The commissioner may delegate duties to its staff. The house of representatives and the senate may transfer employees to the commission or may assign employees to do work for the commission. The commission may enter into contracts for data or services necessary to perform the commission's duties.

Subd. 5b. Advisory group. The commission may appoint a council of unpaid outside experts to assist and advise the council in its work. The commission may seek assistance and advice from a group of experts created in the executive branch.

Subd. 10. Subcommittee on Government Accountability. The commission must form a Subcommittee on Government Accountability under section 3.3056 to review recommendations from the commissioner of management and budget under section 16A.10, subdivision 1c, and to review recommendations from the commissioners of management and budget and administration on how to improve the use of Minnesota Milestones and other statewide goals and indicators in state planning and budget documents. The subcommittee shall consider testimony from representatives from the following organizations and agencies: (1) nonprofit organizations involved in the preparation of Minnesota Milestones; (2) the University of Minnesota and other higher education institutions; (3) the Department of Management and Budget and other state agencies; and (4) other legislators. The subcommittee shall report to the commission by February 1 of each odd-numbered year with long-range recommendations for the further implementation and uses of Minnesota Milestones and other government accountability improvements.
Sec. 2. Minnesota Statutes 2010, section 3.98, is amended to read:

**3.98 FISCAL NOTES.**

Subdivision 1. **Preparation.** The head or chief administrative officer of each department or agency of the state government, including the Supreme Court, Legislative Commission on Planning and Fiscal Policy shall prepare a fiscal note at the request of the chair of the standing committee to which a bill has been referred, or the chair of the house of representatives Ways and Means Committee, or the chair of the senate Committee on Finance. The head or chief administrative officer of each department or agency of the state government, including the Supreme Court, shall supply drafts of fiscal notes or information for fiscal notes upon request of the executive director of the Legislative Commission on Planning and Fiscal Policy.

For purposes of this subdivision, "Supreme Court" includes all agencies, committees, and commissions supervised or appointed by the state Supreme Court or the state court administrator.

Subd. 2. **Contents.** (a) The fiscal note, where possible, shall:

1. cite the effect in dollar amounts;
2. cite the statutory provisions affected;
3. estimate the increase or decrease in revenues or expenditures;
4. include the costs which may be absorbed without additional funds;
5. include the assumptions used in determining the cost estimates; and
6. specify any long-range implication.

(b) The fiscal note may comment on technical or mechanical defects in the bill but shall express no opinions concerning the merits of the proposal.

Subd. 3. **Distribution.** A copy of the fiscal note shall be delivered to the chair of the Ways and Means Committee of the house of representatives, the chair of the Finance Committee of the senate, the chair of the standing committee to which the bill has been referred, to the chief author of the bill and to the commissioner of management and budget.

Subd. 4. **Uniform procedure.** The commissioner of management and budget Legislative Commission on Planning and Fiscal Policy shall prescribe a uniform procedure to govern the departments and agencies of the state in complying with the requirements of this section.

Sec. 3. **APPROPRIATION.**

$1,502,000 for the fiscal year ending June 30, 2012, and $1,429,000 for the fiscal year ending June 30, 2013, are appropriated from the general fund to the Legislative Coordinating Commission for purposes of the Legislative Commission on Planning and Fiscal Policy. $1,500,000 for the fiscal year ending June 30, 2012, is appropriated to the Legislative Coordinating Commission for fiscal note information systems. The appropriations from the general fund to the Department of Management and Budget are reduced by $253,000 for the fiscal year ending June 30, 2012, and $253,000 for the fiscal year ending June 30, 2013.

Sec. 4. **EFFECTIVE DATE.**

Sections 1 to 3 are effective July 1, 2011, except that the duty to prepare fiscal notes is effective February 1, 2012, and the duty to prepare forecasts of state revenues and expenditures is effective July 1, 2012."
Delete the title and insert:

"A bill for an act relating to state government; changing membership, duties, and responsibilities of the Legislative Commission on Planning and Fiscal Policy; appropriating money; amending Minnesota Statutes 2010, sections 3.885; 3.98."

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.

Lanning from the Committee on State Government Finance to which was referred:

H. F. No. 1579, A bill for an act relating to government reform; giving counties authority to provide for the general welfare; establishing an alternative service delivery pilot program for waivers; providing for state strategic planning and performance review; amending Minnesota Statutes 2010, section 375.18, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 402A; proposing coding for new law as Minnesota Statutes, chapter 15D.

Reported the same back with the following amendments:

Page 1, delete section 1 and insert:

"Section 1. Minnesota Statutes 2010, section 375.18, is amended by adding a subdivision to read:

Subd. 16. General welfare. (a) A county may exercise all powers necessary or fairly implied by an express delegation by the state of a duty or a grant of power, incident or essential to the exercise of an express delegation of a duty or a grant of power, and not expressly denied by or inconsistent with the laws and regulations of the state or the United States.

(b) A county may adopt reasonable ordinances, resolutions, and regulations relating to its property, affairs, and operations, and provide for the general health, safety, and welfare of the county, provided that the action is not expressly denied by or inconsistent with the laws and regulations of the state or the United States.

(c) In exercising these powers, a county must not act in conflict or inconsistent with the powers and duties of other political subdivisions within the county.

(d) The authority granted in this section is subject to section 471.633."

Page 3, line 1, after "notify" insert "(1)" and after "agreements" insert ", and (2) any person or organization that represents potentially affected service recipients"

Page 3, line 20, delete "and"

Page 3, after line 20, insert:

"(7) describe how the county will seek out and take into consideration the advice of those receiving services who may be affected by the pilot project; and"

Page 3, line 21, delete "(7)" and insert "(8)"
Page 3, line 26, after the period, insert "The coordinator and commissioner must consult with appropriate stakeholders."

Page 3, line 33, after the period, insert "The coordinator and commissioner must consult with appropriate stakeholders."

Page 4, after line 13, insert:

"Sec. 4. [402A.85] COUNTY EMPLOYEES.

Nothing in sections 402A.60 to 402A.95 shall be construed as diminishing any rights of employers or employees as defined in collective bargaining agreements under this chapter or chapter 179A."

Page 5, delete article 3

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, delete everything after "waivers;"

Correct the title numbers accordingly

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.

Hamilton from the Committee on Agriculture and Rural Development Policy and Finance to which was referred:

H. F. No. 1611, A bill for an act relating to agriculture; changing certain programs, requirements, fees, and duties; appropriating money; amending Minnesota Statutes 2010, sections 18B.065, by adding a subdivision; 18B.316, subdivision 6; 18G.07, subdivision 1; 18G.10, subdivisions 5, 7, by adding a subdivision; 18H.07, subdivisions 2, 3; 18H.10; 18H.14; 18J.01; 18J.02; 18J.03; 18J.04, subdivisions 1, 2, 3, 4; 18J.05, subdivisions 1, 2, 6; 18J.06; 18J.07, subdivisions 3, 4, 5; 18J.08, subdivision 2; 21.82, subdivisions 7, 8; 35.0661, subdivisions 2, 3; 223.17, subdivisions 6, 9; 231.36; 231.38; 231.39; 232.22, subdivisions 3, 4, 5; 232.23, subdivisions 5, 10; 232.24, subdivisions 1, 2; 236.02, subdivision 5, by adding a subdivision; repealing Minnesota Statutes 2010, sections 27.19, subdivisions 2, 3; 27.20; 223.18; 231.035; 231.28; 232.24, subdivision 3; 232.25; 236.09; Minnesota Rules, parts 1505.0780; 1505.0810; 1562.0100, subparts 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25; 1562.0200; 1562.0700, subparts 1b, 3; 1562.0900; 1562.1300.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 18B.03, subdivision 1, as amended by Laws 2011, chapter 14, section 7, is amended to read:

Subdivision 1. Administration by commissioner. The commissioner shall administer, implement, and enforce this chapter and the Department of Agriculture is the lead state agency for the regulation of pesticides. The commissioner has the sole regulatory authority over the terrestrial application of pesticides, including, but not
limited to, the application of pesticides to agricultural crops, structures, and other nonaquatic environments. Except as provided in subdivision 3, a state agency other than the Department of Agriculture shall not regulate or require permits for the terrestrial or nonaquatic application of pesticides.

Sec. 2. Minnesota Statutes 2010, section 18B.065, is amended by adding a subdivision to read:

Subd. 10. **Indemnification.** (a) A local unit of government, when operating or participating in a waste pesticide collection program pursuant to a cooperative agreement with the commissioner under this section, is an employee of the state, certified to be acting within the scope of employment, for purposes of the indemnification provisions of section 3.736, subdivision 9, for claims that arise out of the transportation, management, or disposal of any waste pesticide covered by the agreement:

1. from and after the time the waste permanently leaves the local unit of government's possession and comes into the possession of the state's authorized transporter; and

2. during the time the waste is transported between the local unit of government facilities by the state's authorized transporter.

(b) The state is not obligated to defend or indemnify a local unit of government under this subdivision to the extent of the local unit of government's liability insurance. The local unit of government's right to indemnify is not a waiver of the limitation, defenses, and immunities available to either the local unit of government or the state by law.

Sec. 3. Minnesota Statutes 2010, section 18B.316, subdivision 6, is amended to read:

Subd. 6. **Agricultural pesticide sales invoices.** (a) Sales invoices for agricultural pesticides sold in or into this state by a licensed agricultural pesticide dealer or a pesticide dealer under this section must show the percent of gross sales fee rate assessed and the gross sales fee paid under section 18B.26, subdivision 3, paragraph (c).

(b) A licensed agricultural pesticide dealer or a pesticide dealer may request an exemption from paragraph (a). The request for exemption must be in writing to the commissioner and must include verifiable information to justify that compliance with paragraph (a) is an extreme business hardship for the licensed agricultural pesticide dealer or pesticide dealer. The commissioner may approve or reject a request for exemption based upon review of the submitted information. An approved exemption under this paragraph is valid for one calendar year. The commissioner must maintain a list of those licensed agricultural pesticide dealers or pesticide dealers that have been granted an exemption on the department's Web site.

(c) A licensed agricultural pesticide dealer or a pesticide dealer issued an exemption under paragraph (b) must include the following statement on each sales invoice for any sale of an agricultural pesticide: "Minnesota Department of Agriculture Annual Gross Sales Fees of 0.55% have been Assessed and Paid on the Sale of an Agricultural Pesticide."

(d) Only the person who actually will pay the gross sales fee may show the rate or the amount of the fee as a line item on the sales invoice.

Sec. 4. Minnesota Statutes 2010, section 18G.07, subdivision 1, is amended to read:

Subdivision 1. **Creation of registry.** (a) The commissioner shall maintain a list of all persons, businesses, and companies that employ persons who provide tree care or tree trimming services in Minnesota. All commercial tree care providers, tree trimmers, and persons who employers that direct employees to remove trees, limbs, branches, brush, or shrubs for hire must be registered by the commissioner.
(b) Persons or companies who are required to be registered under paragraph (a) must register annually by providing the following to the commissioner:

1. accurate and up-to-date business name, address, and telephone number;
2. a complete list of all Minnesota counties in which they work; and
3. a nonrefundable fee of $25 for initial application or renewing the registration.

(c) All persons and companies required to be registered under paragraph (a) must register before conducting the activities specified in paragraph (a). Annual registration expires December 31, must be renewed annually, and the renewal fee remitted by January 1 of the year for which it is issued. In addition, a penalty of ten percent of the renewal fee due must be charged for each month, or portion of a month, that the fee is delinquent up to a maximum of 30 percent for any application for renewal postmarked after December 31.

Sec. 5. Minnesota Statutes 2010, section 18G.10, subdivision 5, is amended to read:

Subd. 5. Certificate fees. (a) The commissioner shall assess the fees in paragraphs (b) to (f) for the inspection, service, and work performed in carrying out the issuance of a phytosanitary certificate or export certificate. The inspection fee must be based on mileage and inspection time.

(b) Mileage charge: current United States Internal Revenue Service mileage rate.

(c) Inspection time: $50 per hour minimum or fee necessary to cover department costs. Inspection time includes the driving time to and from the location in addition to the time spent conducting the inspection.

(d) If laboratory analysis or other technical analysis is required to issue a certificate, the commissioner must set and collect the fee to recover this additional cost.

(e) Certificate fee for product value greater than $250: $75 minimum or fee necessary to cover department costs, including research and processing costs, for each phytosanitary or export certificate issued for any single shipment valued at more than $250 in addition to any mileage or inspection time charges that are assessed.

(f) Certificate fee for product value less than $250: $25 minimum or fee necessary to cover department costs, including research and processing costs, for each phytosanitary or export certificate issued for any single shipment valued at less than $250 in addition to any mileage or inspection time charges that are assessed.

(g) For services provided for in subdivision 7 that are goods and services provided for the direct and primary use of a private individual, business, or other entity, the commissioner must set and collect the fees to cover the cost of the services provided.

Sec. 6. Minnesota Statutes 2010, section 18G.10, subdivision 7, is amended to read:

Subd. 7. Supplemental, additional, or other certificates and permits. (a) The commissioner may provide inspection, sampling, or certification services to ensure that Minnesota plant treatment processes, plant products, or commodities meet import requirements of other states or countries.

(b) The state plant regulatory official may issue permits and certificates verifying that various Minnesota agricultural plant treatment processes, products, or commodities meet specified plant health requirements, treatment requirements, or pest absence assurances based on determinations by the commissioner.
Sec. 7. Minnesota Statutes 2010, section 18G.10, is amended by adding a subdivision to read:

Subd. 8. **Misuse of a certificate or permit.** Certificates, permits, and official letters issued to support certification or permit processes are not transferable to another location or another person.

Sec. 8. Minnesota Statutes 2010, section 18H.07, subdivision 2, is amended to read:

Subd. 2. **Nursery stock grower certificate.** (a) A nursery stock grower must pay an annual fee based on the area of all acreage on which nursery stock is grown for certification as follows:

1. less than one-half acre, $150;
2. from one-half acre to two acres, $200;
3. over two acres up to five acres, $300;
4. over five acres up to ten acres, $350;
5. over ten acres up to 20 acres, $500;
6. over 20 acres up to 40 acres, $650;
7. over 40 acres up to 50 acres, $800;
8. over 50 acres up to 200 acres, $1,100;
9. over 200 acres up to 500 acres, $1,500; and
10. over 500 acres, $1,500 plus $2 for each additional acre.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.

Beginning April 1, a firm found operating without a nursery stock growers certificate must pay the required nursery stock growers certificate fee.

Sec. 9. Minnesota Statutes 2010, section 18H.07, subdivision 3, is amended to read:

Subd. 3. **Nursery stock dealer certificate.** (a) A nursery stock dealer must pay an annual fee based on the dealer's gross sales of certified nursery stock per location during the most recent certificate year. A certificate applicant operating for the first time must pay the minimum fee. The fees per sales location are:

1. gross sales up to $5,000, $150;
2. gross sales over $5,000 up to $20,000, $175;
3. gross sales over $20,000 up to $50,000, $300;
4. gross sales over $50,000 up to $75,000, $425;
(5) gross sales over $75,000 up to $100,000, $550;

(6) gross sales over $100,000 up to $200,000, $675; and

(7) gross sales over $200,000, $800.

(b) In addition to the fees in paragraph (a), a penalty of ten percent of the fee due must be charged for each month, or portion thereof, that the fee is delinquent up to a maximum of 30 percent for any application for renewal not postmarked by December 31 of the current year.

Beginning April 1, a firm found operating without a nursery stock dealer certificate must pay the required nursery stock dealer certificate fee.

Sec. 10. Minnesota Statutes 2010, section 18H.10, is amended to read:

18H.10 STORAGE OF NURSERY STOCK.

(a) All nursery stock must be kept and displayed under conditions of temperature, light, and moisture sufficient to maintain the viability and vigor of the nursery stock.

(b) Packaged dormant nursery stock must be stored under conditions that retard growth, prevent etiolated growth, and protect its viability.

(c) Balled and burlapped nursery stock being held for sale to the public must be kept in a moisture-holding material approved by the commissioner and not toxic to plants. The moisture-holding material must adequately cover and protect the ball of earth and must be kept moist at all times.

Sec. 11. Minnesota Statutes 2010, section 18H.14, is amended to read:

18H.14 LABELING AND ADVERTISING OF NURSERY STOCK.

(a) Plants, plant materials, or nursery stock must not be labeled or advertised with false or misleading information including, but not limited to, scientific name, variety, place of origin, hardiness zone as defined by the United States Department of Agriculture, and growth habit.

(b) A person may not offer for distribution plants, plant materials, or nursery stock, represented by some specific or special form of notation, including, but not limited to, “free from” or “grown free of,” unless the plants are produced under a specific program approved by the commissioner to address the specific plant properties addressed in the special notation claim.

(c) Nursery stock collected from the wild state must be inspected and certified prior to sale and at the time of sale must be labeled "Collected from the Wild." The label must remain on each plant or clump of plants while it is offered for sale and during the distribution process. The collected stock may be grown in nursery rows at least two years, after which the plants may be sold without the labeling required by this paragraph.

Sec. 12. Minnesota Statutes 2010, section 21.82, subdivision 7, is amended to read:

Subd. 7. Vegetable seeds. For vegetable seeds prepared for use in home gardens or household plantings the requirements in paragraphs (a) to (p) apply. Vegetable seeds packed for sale in commercial quantities to farmers, conservation groups, and other similar entities are considered agricultural seeds and must be labeled accordingly.
(a) The label must contain the name of the kind or kind and variety for each seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label must show the name of the kind and the words "variety not stated."

(b) The percentage that is hybrid must be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds of varieties are present in excess of five percent and are named on the label, each that is hybrid must be designated as hybrid on the label. Any one kind or kind and variety that has pure seed that is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross must be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed may be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word "hybrid" must be shown on the label in conjunction with the kind.

(c) Blends must be listed on the label using the term "blend" in conjunction with the kind.

(d) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."

(e) The label must show a lot number or other lot identification.

(f) The origin may be omitted from the label.

(g) The label must show the year for which the seed was packed for sale listed as "packed for (year)" for seed with a percentage of germination that exceeds the standard last established by the commissioner, the percentage of germination and the calendar month and year that the percentages were determined by test, or the calendar month and year the germination test was completed and the statement "sell by (month and year listed here)," which may be no more than 12 months from the date of test, exclusive of the month of test.

(h) For vegetable seeds which germinate less than the standard last established by the commissioner, the label must show:

(1) a percentage of germination, exclusive of hard or dormant seed or both;

(2) a percentage of hard or dormant seed or both, if present; and

(3) the words "below standard" in not less than eight point type and the month and year the percentages were determined by test.

(i) The net weight of the contents or a statement indicating the number of seeds in the container or both, must appear on either the container or the label, except that for containers with contents of 200 seeds or less a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.

(j) The heading for and percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.

(k) The heading for and percentage by weight of weed seed may be omitted from a label if they are not present in the seed.

(l) The heading "noxious weed seeds" may be omitted from a label if they are not present in the seed.
(m) The heading for and percentage by weight of other crop seed may be omitted from a label if it is less than five percent.

(n) The heading for and percentage by weight of inert matter may be omitted from a label if it is less than ten percent.

(o) The label must contain the name and address of the person who labeled the seed or who sells the seed in this state or a code number that has been registered with the commissioner.

(p) The labeling requirements for vegetable seeds prepared for use in home gardens or household plantings when sold outside their original containers are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

Sec. 13. Minnesota Statutes 2010, section 21.82, subdivision 8, is amended to read:

Subd. 8. Flower seeds. For flower and wildflower seeds prepared for use in home gardens or household plantings, the requirements in paragraphs (a) to (l) apply. Flower and wildflower seeds packed for sale in commercial quantities to farmers, conservation groups, and other similar entities are considered agricultural seeds and must be labeled accordingly.

(a) The label must contain the name of the kind and variety or a statement of type and performance characteristics as prescribed by rule.

(b) The percentage that is hybrid must be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds of varieties are present in excess of five percent and are named on the label, each that is hybrid must be designated as hybrid on the label. Any one kind or kind and variety that has pure seed that is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross must be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed may be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word "hybrid" must be shown on the label in conjunction with the kind.

(c) Blends must be listed on the label using the term "blend" in conjunction with the kind.

(d) Mixtures must be listed on the label using the term "mixture," "mix," or "mixed.

(e) The label must contain the lot number or other lot identification.

(f) The origin may be omitted from the label.

(g) The label must contain the year for which the seed was packed for sale listed as "packed for (year)" for seed with a percentage of germination that exceeds the standard last established by the commissioner, the percentage of germination and the calendar month and year that the percentages were determined by test, or the calendar month and year the germination test was completed and the statement "sell by (month and year listed here)," which may be no more than 12 months from the date of test, exclusive of the month of test.

(h) For flower seeds which germinate less than the standard last established by the commissioner, the label must show:

(1) percentage of germination exclusive of hard or dormant seed or both;

(2) percentage of hard or dormant seed or both, if present; and
(3) the words "below standard" in not less than eight point type and the month and year this percentage was determined by test.

(i) The label must show the net weight of contents or a statement indicating the number of seeds in the container, or both, on either the container or the label, except that for containers with contents of 200 seeds or less a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.

(j) The heading for and percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.

(k) The heading for and percentage by weight of weed seed may be omitted from a label if they are not present in the seed.

(l) The heading "noxious weed seeds" may be omitted from a label if they are not present in the seed.

(m) The heading for and percentage by weight of other crop seed may be omitted from a label if it is less than five percent.

(n) The heading for and percentage by weight of inert matter may be omitted from a label if it is less than ten percent.

(o) The label must show the name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.

Sec. 14. [32C.01] ORGANIZATION.

Subd. 1. Establishment. The Dairy Research, Teaching, and Consumer Education Authority is established as a public corporation. The business of the authority must be conducted under the name "Dairy Research, Teaching, and Consumer Education Authority."

Subd. 2. Board of directors. The authority is governed by a board of nine directors. The term of a director, except as otherwise provided in this subdivision, is four years. The commissioner of agriculture is a member of the board. The governor shall appoint four members of the board. Two of the members appointed by the governor must be currently engaged in the business of operating a dairy. Two of the members appointed by the governor must be representatives of Minnesota-based businesses actively engaged in working with or serving Minnesota's dairy industry. The dean of the University of Minnesota College of Food, Agriculture and Natural Resource Sciences, or the dean's designee, is a member of the board. One member of the board must be a representative of a state trade association that represents the interests of milk producers. One member of the board must be a representative of the Minnesota Division of the Midwest Dairy Council. One member of the board must be a member of the agricultural education faculty of the Minnesota State Colleges and Universities System. The four members of the initial board of directors who are appointed by the governor must be appointed for terms of four years, and the other four members must be appointed for an initial term of two years. Vacancies for the governor's appointed positions on the board must be filled by appointment of the governor. Vacancies for other positions on the board must be filled by the named represented entities. Board members must not be compensated for their services other than to be reimbursed for reasonable expenses incurred in connection with their duties as board members. This reimbursement must be reviewed annually by the commissioner of management and budget.

Subd. 3. Bylaws. The board must adopt bylaws necessary for the conduct of the business of the authority, consistent with this chapter.

Subd. 4. Place of business. The board must locate and maintain the authority's place of business within the state.
Subd. 5. **Chair.** The board must annually elect from among its members a chair and other officers necessary for the performance of its duties.

Subd. 6. **Meetings.** The board must meet at least four times each year and may hold additional meetings upon giving notice in accordance with the bylaws of the authority. Board meetings are subject to chapter 13D.

Subd. 7. **Conflict of interest.** A director, employee, or officer of the authority may not participate in or vote on a decision of the board relating to an organization in which the director has either a direct or indirect financial interest.

Subd. 8. **Economic interest statements.** Directors and officers of the authority are public officials for the purpose of section 10A.09, and must file statements of economic interest with the Campaign Finance and Public Disclosure Board.

Sec. 15. **[32C.02] POWERS.**

Subdivision 1. **General corporate powers.** (a) The authority has the powers granted to a business corporation by section 302A.161, subdivisions 3; 4; 5; 7; 8; 9; 11; 12; 13, except that the authority may not act as a general partner in any partnership; 14; 15; 16; 17; 18; and 22, and the powers necessary or convenient to exercise the enumerated powers.

(b) Section 302A.041 applies to this chapter and the authority in the same manner that it applies to business corporations established under chapter 302A.

Subd. 2. **Facility design; development and operation.** The authority may enter into management contracts, lease agreements, or both, with a Minnesota nonprofit corporation to design, develop, and operate a facility to further the purposes of this chapter at the site determined by the board and on the terms that the board finds desirable. The board must identify and acquire a site that will accommodate the following facilities and activities:

1. housing for bred and lactating animals;
2. milking parlor;
3. automatic milking systems;
4. cross-ventilated and natural-ventilated housing;
5. transition cow housing;
6. special needs and hospital housing;
7. classrooms and a conference room;
8. dairy processing facility with retail;
9. visitors’ center;
10. student housing;
11. laboratory facilities;
space to accommodate installation of an anaerobic digester system to research energy production from feedstock produced on-site or from off-site sources; and

space for feed storage to allow for research capabilities at the facility.

Notwithstanding the provisions of section 32C.01, subdivision 7, relating to conflict of interest, a director or officer of the authority who is also a director, officer, or member of a nonprofit corporation with which the authority enters into management contracts or lease agreements may participate in and vote on the decision of the board as to the terms and conditions of management contracts or lease agreements between the Minnesota nonprofit corporation and the authority.

Subd. 3. Funds. The authority may accept and use gifts, grants, or contributions from any source to support operation of the facility. Unless otherwise restricted by the terms of a gift or bequest, the board may sell, exchange, or otherwise dispose of, and invest or reinvest the money, securities, or other property given or bequeathed to it. The principal of these funds, the income from them, and all other revenues received by the authority from any nonstate source must be placed in depositories chosen by the board and are subject to expenditure for the board's purposes. Expenditures of $25,000 or more must be approved by the full board.

Subd. 4. Animals; regulation. The authority must comply with all applicable laws and rules relating to quarantine, transportation, examination, habitation, care, and treatment of animals.

Sec. 16. [32C.03] EMPLOYEES.

(a) The board may hire an executive director of the authority and other employees the board considers necessary to carry out the program, conduct research, and operate and maintain facilities of the authority.

(b) Persons employed by contractors or lessees are not state employees and may not participate in state retirement, deferred compensation, insurance, or other plans that apply to state employees generally and are not subject to regulation by the Campaign Finance and Public Disclosure Board, provided, however, that any employee of the state or any employee or faculty member of the University of Minnesota or Minnesota State Colleges and Universities System who teaches or conducts research at the authority does not have their status as employees of the state, the University of Minnesota, or Minnesota State Colleges and Universities System interrupted by virtue of having their employment activity take place at facilities owned by the authority.

Sec. 17. [32C.04] ACCOUNTS; AUDITS.

The authority may establish funds and accounts that it determines to be reasonable and necessary to conduct the business of the authority. The board shall provide for and pay the cost of an independent annual audit of its official books and records by the state auditor. A copy of this audit must be filed with the secretary of state.

Sec. 18. [32C.05] ANNUAL REPORT.

The board shall submit a report to the chairs of the senate and house of representatives agriculture committees and the governor on the activities of the authority and its contractors and lessees by February 1 of each year. The report must include at least the following:

(1) a description of each of the programs that the authority has provided or undertaken at some time during the previous year;

(2) an identification of the sources of funding in the previous year for the authority's programs including federal, state, and local government, foundations, gifts, donations, fees, and all other sources;
(3) a description of the administrative expenses of the authority during the previous year;

(4) a listing of the assets and liabilities of the authority at the end of the previous fiscal year;

(5) a description of any changes made to the operational plan during the previous year; and

(6) a description of any newly adopted or significant changes to bylaws, policies, rules, or programs created or administered by the authority during the previous year.

Reports must be made to the legislature as required by section 3.195.

Sec. 19. Minnesota Statutes 2010, section 35.0661, subdivision 2, is amended to read:

Subd. 2. Quarantine zones. Upon an emergency declaration by the governor under subdivision 1, the board or any licensed veterinarian designated by the board may establish quarantine zones of control in any area where a specific animal is deemed by a licensed veterinarian as likely to be infected with the disease based on an actual veterinary examination or laboratory testing. Quarantine zones of control to restrict the movement of livestock must be the smallest size practicable to prevent the spread of disease and must exist for the shortest duration consistent with effective disease control. A quarantine zone of control must not extend beyond a radius of three miles from an animal deemed as likely to be infected with the disease, unless the board has adopted a rule regarding a specific disease requiring a larger quarantine zone of control.

Sec. 20. Minnesota Statutes 2010, section 35.0661, subdivision 3, is amended to read:

Subd. 3. Restrictions on movement out of quarantine zones. (a) The board may issue orders restricting the movement of persons, livestock, machinery, and personal property out of zones off infected premises designated by the board as quarantined under subdivision 2. The executive director of the board or any licensed veterinarian designated by the board may issue the orders. An order may be issued upon a determination that reasonable cause exists to believe that the movement of persons or personal property out of a quarantine zone will reasonably threaten to transport a dangerous, infectious, or communicable disease outside of the quarantine zone.

(b) The order must be served upon any person subject to the order. The restrictions sought by the board on movement out of a quarantine zone must be limited to the greatest extent possible consistent with the paramount disease control objectives as determined by the board. An order under this section may be served on any day at any time. The order must include a notice of the person's rights under this section, including the ability to enter into an agreement to abide by disease control measures under paragraph (c) and the right to request a court hearing under paragraph (d).

(c) No person may be restricted by an order under this subdivision for longer than 72 hours, exclusive of Saturdays, Sundays, and legal holidays, so long as the person agrees to abide by the disease control measures established by the board. The person shall sign an acknowledgment form prepared by the board evidencing the person's agreement to abide by the disease control measures established by the board.

(d) A person whose movements are restricted by an order under this subdivision may seek a district court hearing on the order at any time after it is served on the person. The hearing may be held by electronic means as soon as possible. The subject of the order may:

(1) contest imposition of the order on grounds that it is an abuse of the board's discretion under this section; or

(2) seek a variance from it to allow movement of a person inconsistent with the order, upon a showing that the person would otherwise suffer irreparable harm.
Sec. 21. Minnesota Statutes 2010, section 41A.105, is amended by adding a subdivision to read:

Subd. 1a. **Definitions.** For the purpose of this section:

(1) "biobutanol facility" means a facility at which biobutanol is produced; and

(2) "biobutanol" means fermentation isobutyl alcohol that is derived from agricultural products, including potatoes, cereal grains, cheese whey, and sugar beets; forest products; or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources.

Sec. 22. Minnesota Statutes 2010, section 41A.12, subdivision 2, is amended to read:

Subd. 2. **Activities authorized.** For the purposes of this program, the commissioner may issue grants, loans, or other forms of financial assistance. Eligible activities include, but are not limited to, grants to livestock producers under the livestock investment grant program under section 17.118, bioenergy awards made by the NextGen Energy Board under section 41A.105, cost-share grants for the installation of biofuel blender pumps, and financial assistance to support other rural economic infrastructure activities.

Sec. 23. Minnesota Statutes 2010, section 41A.12, subdivision 4, is amended to read:

Subd. 4. **Sunset.** This section expires on June 30, 2015.

Sec. 24. Minnesota Statutes 2010, section 115.03, is amended by adding a subdivision to read:

Subd. 11. **Aquatic application of pesticides.** (a) The agency may issue National Pollutant Discharge Elimination System permits for pesticide applications to waters of the United States that are required by federal law or rule. The agency shall not require permits for aquatic pesticide applications beyond what is required by federal law or rule.

(b) The agency shall not regulate or require permits for the terrestrial application of pesticides.

Sec. 25. Minnesota Statutes 2010, section 116.07, subdivision 7d, is amended to read:

Subd. 7d. **Exemption.** (a) Notwithstanding subdivision 7 or Minnesota Rules, chapter 7020, to the contrary, and notwithstanding the proximity to public or private waters, an owner or resident of agricultural land on which livestock have been allowed to pasture as defined by Minnesota Rules, chapter 7020, at any time during the ten-year period beginning January 1, 1990, is permanently exempt from requirements related to feedlot or manure management on that land for so long as the property remains in pasture.

(b) For the purposes of this subdivision, "pasture" means areas where livestock graze on grass or other growing plants. Pasture also means agricultural land where livestock are allowed to forage during the winter time and which land is used for cropping purposes in the growing season. In either case, the concentration of animals must be such that a vegetative cover, whether of grass, growing plants, or crops, is maintained during the growing season except in the immediate vicinity of temporary supplemental feeding or watering devices.

Sec. 26. Minnesota Statutes 2010, section 223.17, subdivision 6, is amended to read:

Subd. 6. **Financial statements.** For the purpose of fixing or changing the amount of a required bond or for any other proper reason, The commissioner shall may require an annual financial statement from a licensee which has been prepared in accordance with generally accepted accounting principles and which meets the following requirements:
(a) The financial statement shall include, but not be limited to the following: (1) a balance sheet; (2) a statement of income (profit and loss); (3) a statement of retained earnings; (4) a statement of changes in financial position; and (5) a statement of the dollar amount of grain purchased in the previous fiscal year of the grain buyer.

(b) The financial statement shall be accompanied by a compilation report of the financial statement that is prepared by a grain commission firm or a management firm approved by the commissioner or by an independent public accountant, in accordance with standards established by the American Institute of Certified Public Accountants. Grain buyers purchasing less than 150,000 bushels of grain per calendar year may submit a financial statement prepared by a public accountant who is not an employee or a relative within the third degree of kindred according to civil law.

(c) The financial statement shall be accompanied by a certification by the chief executive officer or the chief executive officer's designee of the licensee, under penalty of perjury, that the financial statement accurately reflects the financial condition of the licensee for the period specified in the statement.

Only one financial statement must be filed for a chain of warehouses owned or operated as a single business entity, unless otherwise required by the commissioner. Any grain buyer having a net worth in excess of $500,000 need not file the financial statement required by this subdivision but must provide the commissioner with a certified net worth statement. All financial statements filed with the commissioner are private or nonpublic data as provided in section 13.02.

Sec. 27. Minnesota Statutes 2010, section 232.22, subdivision 3, is amended to read:

Subd. 3. Fees; grain buyers and storage account. There is created in the agricultural fund an account known as the grain buyers and storage account. The commissioner shall set the fees for inspections, examinations, certifications, and licenses under sections 232.20 to 232.25 at levels necessary to pay the costs of administering and enforcing sections 232.20 to 232.25. All money collected pursuant to sections 232.20 to 232.25 and chapters 233 and 236 shall be paid by the commissioner into the state treasury and credited to the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of sections 232.20 to 232.25 and chapters 233 and 236. All money collected pursuant to chapter 231 shall be paid by the commissioner into the grain buyers and storage account and is appropriated to the commissioner for the administration and enforcement of chapter 231.

The fees for a license to store grain are as follows:

(a) For a license to store grain, $110 for each home rule charter or statutory city or town in which a public grain warehouse is operated.

(b) A person with a license to store grain in a public grain warehouse is subject to an examination fee for each licensed location, based on the following schedule for one examination:

<table>
<thead>
<tr>
<th>Bushel Capacity</th>
<th>Examination Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 150,001</td>
<td>$300</td>
</tr>
<tr>
<td>150,001 to 250,000</td>
<td>$425</td>
</tr>
<tr>
<td>250,001 to 500,000</td>
<td>$545</td>
</tr>
<tr>
<td>500,001 to 750,000</td>
<td>$700</td>
</tr>
<tr>
<td>750,001 to 1,000,000</td>
<td>$865</td>
</tr>
<tr>
<td>1,000,001 to 1,200,000</td>
<td>$1,040</td>
</tr>
<tr>
<td>1,200,001 to 1,500,000</td>
<td>$1,205</td>
</tr>
<tr>
<td>1,500,001 to 2,000,000</td>
<td>$1,380</td>
</tr>
<tr>
<td>More than 2,000,000</td>
<td>$1,555</td>
</tr>
</tbody>
</table>
(c) The fee for the second examination is $55 per hour per examiner for warehouse operators who choose to have it performed by the commissioner.

(d) A penalty amount not to exceed ten percent of the fees due may be imposed by the commissioner for each month for which the fees are delinquent.

Sec. 28. Minnesota Statutes 2010, section 232.22, subdivision 4, is amended to read:

Subd. 4. Bonding. (a) Before a license is issued, the applicant for a public grain warehouse operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner. The penal sum on a condition one bond shall be established by rule by the commissioner pursuant to the requirements of chapter 14 for all grain outstanding on grain warehouse receipts. The penal sum on a condition two bond shall not be less than $10,000 for each location up to a maximum of five locations based on the annual average liability as stated on the statement of grain in storage report and applying the following amounts:

1. $10,000 for storages with annual average storage liability of more than $0 but not more than $25,000;
2. $20,000 for storages with annual average storage liability of more than $25,001 but not more than $50,000;
3. $30,000 for storages with annual average storage liability of more than $50,001 but not more than $75,000;
4. $50,000 for storages with annual average storage liability of more than $75,001 but not more than $100,000;
5. $75,000 for storages with annual average storage liability of more than $100,001 but not more than $200,000;
6. $125,000 for storages with annual average storage liability of more than $200,001 but not more than $300,000;
7. $175,000 for storages with annual average storage liability of more than $300,001 but not more than $400,000;
8. $225,000 for storages with annual average storage liability of more than $400,001 but not more than $500,000;
9. $275,000 for storages with annual average storage liability of more than $500,001 but not more than $600,000;
10. $325,000 for storages with annual average storage liability of more than $600,001 but not more than $700,000;
11. $425,000 for storages with annual average storage liability of more than $800,001 but not more than $900,000;
12. $475,000 for storages with annual average storage liability of more than $900,001 but not more than $1,000,000; and
13. $500,000 for storages with annual average storage liability of more than $1,000,000.

(b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 90 days' written notice of the bond's termination date to the licensee and the commissioner.
Sec. 29. Minnesota Statutes 2010, section 232.22, subdivision 5, is amended to read:

Subd. 5. Statement of grain in storage; reports. (a) All public grain warehouse operators must by the tenth day of each month February 15 of each year file with the commissioner on forms approved by the commissioner a report showing the highest monthly net liability of all grain outstanding on grain warehouse receipts as of the close of business on the last day of that occurred during the preceding month calendar year. This report shall be used for the purpose of establishing the penal sum of the bond.

(b) Warehouse operators that are at a maximum bond and want to continue at maximum bond do not need to file this report.

(b) If (c) It is a violation of this chapter for any public grain warehouse operator willfully neglects or refuses to fail to file the report required in clause (a) for two consecutive months, the commissioner may immediately suspend the person's license and the licensee must surrender the license to the commissioner. Within 15 days the licensee may request an administrative hearing subject to chapter 14 to determine if the license should be revoked. If no request is made within 15 days the commissioner shall revoke the license.

(d) Every public grain warehouse operator shall keep in a place of safety complete and accurate records and accounts relating to any grain warehouse operated. The records shall reflect each commodity received and shipped daily, the balance remaining in the grain warehouse at the close of each business day, a listing of all unissued grain warehouse receipts in the operator's possession, a record of all grain warehouse receipts issued which remain outstanding and a record of all grain warehouse receipts which have been returned for cancellation. Copies of grain warehouse receipts or other documents evidencing ownership of grain by a depositor, or other liability of the grain warehouse operator, shall be retained as long as the liability exists but must be kept for a minimum of three years.

Sec. 30. Minnesota Statutes 2010, section 232.23, subdivision 10, is amended to read:

Subd. 10. Delivery of grain. (a) On the redemption of a grain warehouse receipt and payment of all lawful charges, the grain represented by the receipt is immediately deliverable to the depositor or the depositor's order, and is not subject to any further charge for storage after demand for delivery has been made and proper facilities for receiving and shipping the grain have been provided. If delivery has not commenced within 48 hours after demand has been made and proper facilities have been provided, the public grain warehouse operator issuing the grain warehouse receipt is liable to the owner in damages not exceeding two cents per bushel for each day's delay, unless the public grain warehouse operator makes delivery to different owners in the order demanded as rapidly as it can be done through ordinary diligence, or unless insolvency has occurred.

(b) If a disagreement arises between the person receiving and the person delivering the grain at a public grain warehouse in this state as to the proper grade or dockage of any grain, an average sample of at least three quarts of the grain in dispute may be taken by either or both of the persons interested. The sample shall be certified by both the owner and the public grain warehouse operator as being true samples of the grain in dispute on the delivery day. The samples shall be forwarded in a suitable airtight container by parcel post or express, prepaid, with the name and address of both parties, to the head of the grain inspection program of the Department of Agriculture, who shall, upon request, examine the grain, and determine what grade or dockage the samples of grain are entitled to under the inspection rules. Before the results of the inspection are released to the person requesting the inspection, the person shall pay the required fee. The fee shall be the same as that required for similar services rendered by the grain inspection program.
Sec. 31. Minnesota Statutes 2010, section 232.24, subdivision 1, is amended to read:

Subdivision 1. **Schedule of inspection examination.** A licensee under sections 232.20 to 232.25 is subject to two audits annually conducted by the commissioner or the agricultural marketing service of the United States Department of Agriculture. The commissioner may, by rule, authorize one audit to be conducted by a qualified nongovernmental unit.

Sec. 32. Minnesota Statutes 2010, section 232.24, subdivision 2, is amended to read:

Subd. 2. **Financial reports.** A licensee under sections 232.20 to 232.25 upon request must provide to the commissioner a copy of the financial reports of an audit conducted by a qualified nongovernmental unit containing information the commissioner requires.

Sec. 33. Minnesota Statutes 2010, section 236.02, is amended by adding a subdivision to read:

Subd. 4a. **Statement of grain in storage; reports.** (a) Annually by February 15 each grain bank operator must file with the commissioner on a form approved by the commissioner a report showing the highest monthly net liability of all grain outstanding on grain bank receipts that occurred during the preceding calendar year. This report must be used for the purpose of establishing the sum of the bond.

(b) Grain bank operators that are at maximum bond and want to continue at maximum bond do not need to file this report.

(c) It is a violation of this chapter for a public grain bank operator to fail to file the report required in clause (a).

Sec. 34. Minnesota Statutes 2010, section 236.02, subdivision 5, is amended to read:

Subd. 5. **Bond Bonding.** A license may not be issued for the operation of a grain bank until the applicant has filed with the department a bond in a sum set by the department. The bond may not be less than $1,500 for each license and must at all times be large enough to protect the holders of outstanding grain bank receipts. Bonds must be filed annually and cover the period of the grain bank license. (a) Before a license is issued, the applicant for a grain bank operator's license shall file with the commissioner a bond in a penal sum prescribed by the commissioner based on the annual average liability as stated on the statement of grain in storage report and applying the following amounts:

(1) $1,500 for storages with annual average storage liability of more than $0 but not more than $5,000;

(2) $3,000 for storages with annual average storage liability of more than $5,001 but not more than $10,000;

(3) $8,000 for storages with annual average storage liability of more than $10,001 but not more than $25,000;

(4) $15,000 for storages with annual average storage liability of more than $25,001 but not more than $50,000;

(5) $35,000 for storages with annual average storage liability of more than $50,001 but not more than $100,000;

(6) $75,000 for storages with annual average storage liability of more than $100,001 but not more than $200,000;

(7) $125,000 for storages with annual average storage liability of more than $200,001 but not more than $300,000; and
(8) $150,000 for storages with annual average storage liability of more than $300,001.

(b) Bonds must be continuous until canceled. To cancel a bond, a surety must provide 90 days' written notice of the bond's termination date to the licensee and the commissioner.

Bonds must run to the state of Minnesota and be for the benefit of all persons storing grain in a grain bank. They must be conditioned upon the faithful performance by the grain bank operator of the law relating to the operation of grain banks by the grain bank operator and related rules of the department. The department may require increases in the amounts of bonds as it considers necessary for the protection of grain bank receipt holders. The surety of grain bank bonds must be a corporate surety company authorized to transact business in Minnesota.

Sec. 35. Laws 2011, chapter 14, section 6, is amended by adding an effective date to read:

EFFECTIVE DATE. This section is effective retroactively from April 16, 2011.

Sec. 36. APPROPRIATIONS AVAILABLE UNTIL SPENT.

The appropriations in Laws 2009, chapter 172, article 2, section 2, paragraph (d), for research and pilot projects related to ways agricultural practices contribute to restoring impaired waters and assist with the development of total maximum daily load plans, are available until spent.

Sec. 37. REPEALER.

(a) Minnesota Statutes 2010, sections 17B.01; 17B.02; 17B.03; 17B.04; 17B.041; 17B.0451; 17B.05; 17B.06; 17B.07; 17B.10; 17B.11; 17B.12; 17B.13; 17B.14; 17B.15, subdivisions 1 and 3; 17B.16; 17B.17; 17B.18; 17B.20; 17B.22, subdivisions 1 and 2; 17B.28; 17B.29; 232.24, subdivision 3; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; and 395.24, are repealed.

(b) Minnesota Rules, parts 1505.0780; 1505.0810; 1562.0100, subparts 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25; 1562.0200; 1562.0700; 1562.0900; and 1562.1300, are repealed."

Delete the title and insert:

"A bill for an act relating to agriculture; changing certain programs, requirements, fees, and duties; appropriating money; amending Minnesota Statutes 2010, sections 18B.03, subdivision 1, as amended; 18B.065, by adding a subdivision; 18B.316, subdivision 6; 18G.07, subdivision 1; 18G.10, subdivisions 5, 7, by adding a subdivision; 18H.07, subdivisions 2, 3; 18H.10; 18H.14; 21.82, subdivisions 7, 8; 35.0661, subdivisions 2, 3; 41A.105, by adding a subdivision; 41A.12, subdivisions 2, 4; 115.03, by adding a subdivision; 116.07, subdivision 7d; 223.17, subdivision 6; 232.22, subdivisions 3, 4, 5; 232.23, subdivision 10; 232.24, subdivisions 1, 2; 236.02, subdivision 5, by adding a subdivision; Laws 2011, chapter 14, section 6; proposing coding for new law as Minnesota Statutes, chapter 32C; repealing Minnesota Statutes 2010, sections 17B.01; 17B.02; 17B.03; 17B.04; 17B.041; 17B.0451; 17B.048; 17B.05; 17B.06; 17B.07; 17B.10; 17B.11; 17B.12; 17B.13; 17B.14; 17B.15, subdivisions 1, 3; 17B.16; 17B.17; 17B.18; 17B.20; 17B.22, subdivisions 1, 2; 17B.28; 17B.29; 232.24, subdivision 3; 395.14; 395.15; 395.16; 395.17; 395.18; 395.19; 395.20; 395.21; 395.22; 395.23; 395.24; Minnesota Rules, parts 1505.0780; 1505.0810; 1562.0100, subparts 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, and 25; 1562.0200; 1562.0700, subparts 1b and 3; 1562.0900; and 1562.1300.""
Lanning from the Committee on State Government Finance to which was referred:

H. F. No. 1633, A bill for an act relating lawful gambling; clarifying the use of gross profits; amending Minnesota Statutes 2010, section 349.15, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 2010, section 349.15, subdivision 1, is amended to read:

Subdivision 1. Expenditure restrictions, requirements, and civil penalties. (a) Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a monthly meeting of the organization's membership.

(b) Provided that no more than 70 percent of the gross profit from bingo, and no more than 60 percent of the gross profit from other forms of lawful gambling, may be expended biennially during the term of the license for allowable expenses related to lawful gambling, except that for the period of July 1, 2008, to June 30, 2009, no more than 75 percent of the gross profit from bingo, and no more than 65 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling. This provision expires June 30, 2009.

(c) For each 12-month period beginning July 1, 2009, a licensed organization will be evaluated by the board to determine a rating based on the percentage of annual lawful purpose expenditures when compared to available gross profits for the same period. The rating will be used to determine the organization's profitability percent and is not a rating of the organization's lawful gambling operation. An organization will be evaluated according to the following criteria:

(1) an organization that expends 50 percent or more of gross profits on lawful purposes will receive a five-star rating;

(2) an organization that expends 40 percent or more but less than 50 percent of gross profits on lawful purposes will receive a four-star rating;

(3) an organization that expends 30 percent or more but less than 40 percent of gross profits on lawful purposes will receive a three-star rating;

(4) an organization that expends 20 percent or more but less than 30 percent of gross profits on lawful purposes will receive a two-star rating; and

(5) an organization that expends less than 20 percent of gross profits on lawful purposes will receive a one-star rating.

(d) An organization that fails to expend a minimum of 30 percent annually of gross profits on lawful purposes, or 20 percent annually for organizations that conduct lawful gambling in a location where the primary business is bingo, is automatically on probation effective July 1 for a period of one year. The organization must increase its rating to the required minimum of 30 percent or be subject to sanctions by the board. If an organization fails to meet the minimum after a one-year probation, the board may suspend the organization's license or impose a civil penalty as follows:
(1) in determining any suspension or penalty for a violation of this paragraph, the board must consider any unique factors or extraordinary circumstances that caused the organization to not meet the minimum rate of profitability. Unique factors or extraordinary circumstances include, but are not limited to, the purchase of capital assets necessary to conduct lawful gambling; road or other construction causing impaired access to the lawful gambling premises; and flood, tornado, or other catastrophe that had a direct impact on the continuing lawful gambling operation; and

(2) notwithstanding section 349.151, subdivision 4, paragraph (a), clause (10), the board may impose a civil penalty under this subdivision up to $10,000."

Amend the title as follows:

Page 1, line 2, after "relating" insert "to"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1643, A bill for an act relating to the secretary of state; simplifying certain certificates issued to business entities; modifying effective date of resignations of agents; allowing use of an alternate name; redefining business entities; eliminating issuance of certificates to business trusts and municipal power agencies; regulating access to, and the treatment of, certain data; amending Minnesota Statutes 2010, sections 5.001, subdivision 2; 13.355, by adding a subdivision; 302A.711, subdivision 4; 302A.734, subdivision 2; 302A.751, subdivision 1; 303.08, subdivision 2; 303.17, subdivisions 2, 3, 4; 317A.711, subdivision 4; 317A.733, subdivision 4; 317A.751, subdivision 3; 318.02, subdivisions 1, 2; 321.0809; 321.0906; 322B.826, subdivision 2; 322B.935, subdivisions 2, 3; 323A.1102; 453.53, subdivision 2; 453A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 5; 323A; repealing Minnesota Statutes 2010, sections 302A.801; 302A.805; 308A.151; 317A.022, subdivision 1; 317A.801; 317A.805; 318.02, subdivision 5.

Reported the same back with the following amendments:

Page 1, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 2010, section 5.001, is amended by adding a subdivision to read:

Subd. 5. Attempt to provide notice. "Attempt to provide notice," "attempting to provide notice," or "attempted to provide notice" as used in sections 303.17, subdivisions 2, 3, and 4; 321.0809; 321.0906; 322B.935, subdivision 3; and 323A.1004, means that the secretary of state has sent notice by mail or transmitted an e-mail to the e-mail address provided by the business entity."

Page 2, delete section 3

Page 4, after line 30, insert:

"Sec. 10. Minnesota Statutes 2010, section 317A.255, subdivision 1, is amended to read:
Subdivision 1. Conflict; procedure when conflict arises. (a) A contract or other transaction between a corporation and: (1) its director or a member of the family of its director; (2) a director of a related organization, or a member of the family of a director of a related organization; or (3) an organization in or of which the corporation's director, or a member of the family of its director, is a director, officer, or legal representative or has a material financial interest, is not void or voidable because the director or the other individual or organization are parties or because the director is present at the meeting of the members or the board or a committee at which the contract or transaction is authorized, approved, or ratified, if a requirement of paragraph (b) is satisfied.

(b) A contract or transaction described in paragraph (a) is not void or voidable if:

(1) the contract or transaction was, and the person asserting the validity of the contract or transaction has the burden of establishing that the contract or transaction was, fair and reasonable as to the corporation when it was authorized, approved, or ratified;

(2) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the members and the contract or transaction is approved in good faith by two-thirds of the members entitled to vote, not counting any vote that the interested director might otherwise have, or the unanimous affirmative vote of all members, whether or not entitled to vote;

(3) the material facts as to the contract or transaction and as to the director's interest are fully disclosed or known to the board or a committee, and the board or committee authorizes, approves, or ratifies the contract or transaction in good faith by a majority of the directors or committee members currently holding office, provided that the interested director or directors may not vote and are not considered present for purposes of a quorum. If, as a result, the number of remaining directors is not sufficient to reach a quorum, a quorum for the purpose of considering the contract or transaction is the number of remaining directors or committee members, not counting any vote that the interested director might otherwise have, and not counting the director in determining the presence of a quorum; or

(4) the contract or transaction is a merger or consolidation described in section 317A.601."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "regulating access to, and the treatment of, certain data" and insert "correcting an inadvertent error regarding nonprofit directors' conflicts of interest"

Correct the title numbers accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

Pursuant to Joint Rule 2.03 and in accordance with House Concurrent Resolution No. 1, H. F. No. 1643 was re-referred to the Committee on Rules and Legislative Administration.
Holberg from the Committee on Ways and Means to which was referred:

S. F. No. 67, A bill for an act relating to transportation; authorizing annual special permits for transporting waterfront structures on trunk highways; amending Minnesota Statutes 2010, section 169.86, subdivision 5.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 174, 545, 984, 1362, 1611 and 1633 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 67 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Davids introduced:

H. F. No. 1689, A bill for an act relating to retirement; adding Green Lee Manor in Mabel to the list of privatized facilities covered by chapter 353F; amending Minnesota Statutes 2010, section 353F.02, subdivision 4.

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

Hayden introduced:

H. F. No. 1690, A bill for an act relating to health; establishing a state spinal cord research commission and a spinal cord research account; appropriating money; amending Minnesota Statutes 2010, section 171.29, subdivision 2; 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.

Benson, M.; Davids; Gunther; Quam and Howes introduced:

H. F. No. 1691, A bill for an act relating to capital investment; appropriating money for expansion and renovation of the city of Stewartville's fire station; authorizing the sale and issuance of state bonds.

The bill was read for the first time and referred to the Committee on Jobs and Economic Development Finance.
Hoppe, Beard and Johnson introduced:

H. F. No. 1692, A bill for an act relating to telecommunications; streamlining telecommunications regulations; modifying and updating civil penalties, rate regulation, regulatory requirements, and technical provisions; amending Minnesota Statutes 2010, sections 237.081; 237.50, by adding subdivisions; 237.51, subdivision 1; 237.681, subdivision 1; 237.69, subdivision 17, by adding subdivisions; proposing coding for new law as Minnesota Statutes, chapter 237A; repealing Minnesota Statutes 2010, sections 237.01, subdivisions 1, 3, 4, 6, 7, 8; 237.011; 237.012; 237.02; 237.03; 237.035; 237.036; 237.05; 237.06; 237.065; 237.066; 237.067; 237.068; 237.069; 237.07; 237.071; 237.072; 237.075, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11; 237.076; 237.082; 237.09; 237.10; 237.101; 237.11; 237.115; 237.12; 237.121; 237.14; 237.15; 237.155; 237.16, subdivisions 1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13; 237.164; 237.17; 237.18; 237.19; 237.20; 237.21; 237.22; 237.23; 237.231; 237.24; 237.25; 237.26; 237.27; 237.28; 237.295; 237.30; 237.33; 237.34; 237.35; 237.36; 237.37; 237.38; 237.39; 237.40; 237.411; 237.414; 237.435; 237.44; 237.45; 237.46; 237.461, subdivisions 1, 2, 4; 237.47; 237.57; 237.59, subdivisions 1, 1a, 2, 3, 4, 5, 6, 8, 9, 10; 237.60, subdivisions 3, 4; 237.61; 237.626; 237.64; 237.66, subdivisions 1, 1a, 1c, 1d, 2, 2a, 3; 237.661; 237.662; 237.663; 237.665; 237.67; 237.681, subdivision 5; 237.73; 237.74; 237.75; 237.76; 237.761; 237.762; 237.763; 237.764; 237.765; 237.766; 237.767; 237.768; 237.769; 237.770; 237.771; 237.772; 237.773, subdivisions 1, 2, 3, 4; 237.774; 237.775; 237.79; 237.80; 237.81.

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

Abeler and Huntley introduced:

H. F. No. 1693, A bill for an act relating to human services; establishing a new system of providing resources to persons with developmental disabilities; proposing coding for new law as Minnesota Statutes, chapter 256N.

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

Hamilton introduced:

H. F. No. 1694, A bill for an act relating to economic development; providing a new jobs training pilot program; requiring a report.

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

Clark and Champion introduced:

H. F. No. 1695, A bill for an act relating to real property; landlord and tenant; requiring expungement of court eviction records after one year; amending Minnesota Statutes 2010, section 504B.241, subdivision 4.

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

Simon, Winkler and Champion introduced:

H. F. No. 1696, A bill for an act relating to capital investment; appropriating money for the Southwest Corridor light rail transit line; 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.
Gauthier was excused for the remainder of today’s session.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 529, A bill for an act relating to building codes; requiring equivalent load-bearing capacity for panels used in agricultural building roofs; amending Minnesota Statutes 2010, sections 326B.106, by adding a subdivision; 326B.121, subdivision 1.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 569, A bill for an act relating to labor and industry; modifying licensing requirements for well contractors in certain cases; amending Minnesota Statutes 2010, section 326B.46, subdivision 6.

CAL R. LUDEMAN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 626.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said Senate File is herewith transmitted to the House.

CAL R. LUDEMAN, Secretary of the Senate

CONFERENCE COMMITTEE REPORT ON S. F. NO. 626

A bill for an act relating to human services; modifying certain nursing facility provisions; amending Minnesota Statutes 2010, sections 12A.10, by adding a subdivision; 144A.071, subdivisions 3, 4a; 144A.073, subdivision 3c, by adding a subdivision; 256B.431, subdivision 26; 256B.437, subdivision 4; 256B.441, by adding a subdivision; repealing Minnesota Statutes 2010, section 144A.073, subdivisions 4, 5.
The Honorable Michelle L. Fischbach  
President of the Senate

The Honorable Kurt Zellers  
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 626 report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 626 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1  
NURSING FACILITIES  

Section 1. Minnesota Statutes 2010, section 12A.10, is amended by adding a subdivision to read:

Subd. 4. Nursing home bed layaway. In consultation with the commissioner of human services, the commissioner of health may waive timelines specified in section 144A.071, subdivision 4b, at any time when a partial or complete evacuation occurs in response to a natural disaster, or another event that threatens the health and safety of residents of a nursing home. Property payment rates must not be adjusted for a nursing home placing beds in or removing them from layaway under this subdivision.

Sec. 2. Minnesota Statutes 2010, section 144A.071, subdivision 3, is amended to read:

Subd. 3. Exceptions authorizing increase in beds; hardship areas. (a) The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new licensed and Medicare and Medicaid certified nursing home bed, under using the following conditions:

(a) to license or certify a new bed in place of one decertified after July 1, 1993, as long as the number of certified plus newly certified or recertified beds does not exceed the number of beds licensed or certified on July 1, 1993, or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can be supplied by the federal Centers for Medicare and Medicaid Services and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) The commissioner, in cooperation with the commissioner of human services, shall consider the following criteria when determining that an area of the state is a hardship area with regard to access to nursing facility services:

(1) a low number of beds per thousand in a specified area using as a standard the beds per thousand people age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted to each groups’ most recent nursing home utilization, of the county at the 20th percentile, as determined by the commissioner of human services;
(2) a high level of out-migration for nursing facility services associated with a described area from the county or counties of residence to other Minnesota counties, as determined by the commissioner of human services, using as a standard an amount greater than the out-migration of the county ranked at the 50th percentile;

(3) an adequate level of availability of noninstitutional long-term care services measured as public spending for home and community-based long-term care services per individual age 65 and older, in five year age groups, using data from the most recent census and population projections, weighted by each groups' most recent nursing home utilization, as determined by the commissioner of human services using as a standard an amount greater than the 50th percentile of counties;

(4) there must be a declaration of hardship resulting from insufficient access to nursing home beds by local county agencies and area agencies on aging; and

(5) other factors that may demonstrate the need to add new nursing facility beds.

(c) On August 15 of odd-numbered years, the commissioner, in cooperation with the commissioner of human services, may publish in the State Register a request for information in which interested parties, using the data provided under section 144A.351, along with any other relevant data, demonstrate that a specified area is a hardship area with regard to access to nursing facility services. For a response to be considered, the commissioner must receive it by November 15. The commissioner shall make responses to the request for information available to the public and shall allow 30 days for comment. The commissioner shall review responses and comments and determine if any areas of the state are to be declared hardship areas.

(d) For each designated hardship area determined in paragraph (c), the commissioner shall publish a request for proposals in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The request for proposals must be published in the State Register by March 15 following receipt of responses to the request for information. The request for proposals must specify the number of new beds which may be added in the designated hardship area, which must not exceed the number which, if added to the existing number of beds in the area, including beds in layaway status, would have prevented it from being determined to be a hardship area under paragraph (b), clause (1). Beginning July 1, 2011, the number of new beds approved must not exceed 200 beds statewide per biennium. After June 30, 2019, the number of new beds that may be approved in a biennium must not exceed 300 statewide. For a proposal to be considered, the commissioner must receive it within six months of the publication of the request for proposals. The commissioner shall review responses to the request for proposals and shall approve or disapprove each proposal by the following July 15, in accordance with section 144A.073 and Minnesota Rules, parts 4655.1070 to 4655.1098. The commissioner shall base approvals or disapprovals on a comparison and ranking of proposals using only the criteria in subdivision 4a. Approval of a proposal expires after 18 months unless the facility has added the new beds using existing space, subject to approval by the commissioner, or has commenced construction as defined in section 144A.071, subdivision 1a, paragraph (d). Operating payment rates shall be determined according to Minnesota Rules, part 9549.0057, using the limits under section 256B.441. External fixed payment rates must be determined according to section 256B.441, subdivision 53. Property payment rates for facilities with beds added under this subdivision must be determined in the same manner as rate determinations resulting from projects approved and completed under section 144A.073.

(b) to (e) The commissioner may:

(1) certify or license new beds in a new facility that is to be operated by the commissioner of veterans affairs or when the costs of constructing and operating the new beds are to be reimbursed by the commissioner of veterans affairs or the United States Veterans Administration; and

(e) to (2) license or certify beds in a facility that has been involuntarily delicensed or decertified for participation in the medical assistance program, provided that an application for relicensure or recertification is submitted to the commissioner by an organization that is not a related organization as defined in section 256B.441, subdivision 34, to the prior licensee within 120 days after delicensure or decertification.
(d) to certify two existing beds in a facility with 66 licensed beds on January 1, 1994, that had an average occupancy rate of 98 percent or higher in both calendar years 1992 and 1993, and which began construction of four attached assisted living units in April 1993; or

(e) to certify four existing beds in a facility in Winona with 139 beds, of which 129 beds are certified.

Sec. 3. Minnesota Statutes 2010, section 144A.071, is amended by adding a subdivision to read:

Subd. 4d. Consolidation of nursing facilities. (a) The commissioner of health, in consultation with the commissioner of human services, may approve a request for consolidation of nursing facilities which includes the closure of one or more facilities and the upgrading of the physical plant of the remaining nursing facility or facilities, the costs of which exceed the threshold project limit under subdivision 2, clause (a). The commissioners shall consider the criteria in this section, section 144A.073, and section 256B.437, in approving or rejecting a consolidation proposal. In the event the commissioners approve the request, the commissioner of human services shall calculate a property rate adjustment according to clauses (1) to (3):

(1) the closure of beds shall not be eligible for a planned closure rate adjustment under section 256B.437, subdivision 6;

(2) the construction project permitted in this clause shall not be eligible for a threshold project rate adjustment under section 256B.434, subdivision 4f, or a moratorium exception adjustment under section 144A.073; and

(3) the property payment rate for a remaining facility or facilities shall be increased by an amount equal to 65 percent of the projected net cost savings to the state calculated in paragraph (b), divided by the state's medical assistance percentage of medical assistance dollars, and then divided by estimated medical assistance resident days, as determined in paragraph (c), of the remaining nursing facility or facilities in the request in this paragraph.

(b) For purposes of calculating the net cost savings to the state, the commissioner shall consider clauses (1) to (7):

(1) the annual savings from estimated medical assistance payments from the net number of beds closed taking into consideration only beds that are in active service on the date of the request and that have been in active service for at least three years;

(2) the estimated annual cost of increased case load of individuals receiving services under the elderly waiver;

(3) the estimated annual cost of elderly waiver recipients receiving support under group residential housing;

(4) the estimated annual cost of increased case load of individuals receiving services under the alternative care program;

(5) the annual loss of license surcharge payments on closed beds;

(6) the savings from not paying planned closure rate adjustments that the facilities would otherwise be eligible for under section 256B.437; and

(7) the savings from not paying property payment rate adjustments from submission of renovation costs that would otherwise be eligible as threshold projects under section 256B.434, subdivision 4f.

(c) For purposes of the calculation in paragraph (a), clause (3), the estimated medical assistance resident days of the remaining facility or facilities shall be computed assuming 95 percent occupancy multiplied by the historical percentage of medical assistance resident days of the remaining facility or facilities, as reported on the facility's or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, multiplied by 365.
(d) For purposes of net cost of savings to the state in paragraph (b), the average occupancy percentages will be those reported on the facility’s or facilities' most recent nursing facility statistical and cost report filed before the plan of closure is submitted, and the average payment rates shall be calculated based on the approved payment rates in effect at the time the consolidation request is submitted.

(e) To qualify for the property payment rate adjustment under this provision, the closing facilities shall:

(1) submit an application for closure according to section 256B.437, subdivision 3; and

(2) follow the resident relocation provisions of section 144A.161.

(f) The county or counties in which a facility or facilities are closed under this subdivision shall not be eligible for designation as a hardship area under section 144A.071, subdivision 3, for five years from the date of the approval of the proposed consolidation. The applicant shall notify the county of this limitation and the county shall acknowledge this in a letter of support.

Sec. 4. Minnesota Statutes 2010, section 144A.073, subdivision 3c, is amended to read:

Subd. 3c. Cost neutral relocation projects. (a) Notwithstanding subdivision 3, the commissioner may at any time accept proposals, or amendments to proposals previously approved under this section, for relocations that are cost neutral with respect to state costs as defined in section 144A.071, subdivision 5a. The commissioner, in consultation with the commissioner of human services, shall evaluate proposals according to subdivision 4 4a, clauses (1), (2), (3), and (9) (4), (5), (6), and (8), and other criteria established in rule, or law. The commissioner of human services shall determine the allowable payment rates of the facility receiving the beds in accordance with section 256B.441, subdivision 60. The commissioner shall approve or disapprove a project within 90 days.

(b) For the purposes of paragraph (a), cost neutrality shall be measured over the first three 12-month periods of operation after completion of the project.

Sec. 5. Minnesota Statutes 2010, section 144A.073, is amended by adding a subdivision to read:

Subd. 4a. Criteria for review. In reviewing the application materials and submitted costs by an applicant to the moratorium process, the review panel shall consider the following criteria in recommending proposals:

(1) the extent to which the proposed nursing home project is integrated with other health and long-term care services for older adults;

(2) the extent to which the project provides for the complete replacement of an outdated physical plant;

(3) the extent to which the project results in a reduction of nursing facility beds in an area that has a relatively high number of beds per thousand occupied by persons age 85 and over;

(4) the extent to which the project produces improvements in health; safety, including life safety code corrections; quality of life; and privacy of residents;

(5) the extent to which, under the current facility ownership and management, the provider has shown the ability to provide good quality of care based on health-related findings on certification surveys, quality indicator scores, and quality-of-life scores, including those from the Minnesota nursing home report card;
(6) the extent to which the project integrates the latest technology and design features in a way that improves the resident experience and improves the working environment for employees;

(7) the extent to which the sustainability of the nursing facility can be demonstrated based on the need for services in the area and the proposed financing of the project; and

(8) the extent to which the project provides or maintains access to nursing facility services needed in the community.

Sec. 6. Minnesota Statutes 2010, section 256B.431, is amended by adding a subdivision to read:

Subd. 44. Property rate increase for a facility in Bloomington effective November 1, 2010. Notwithstanding any other law to the contrary, money available for moratorium projects under section 144A.073, subdivision 11, shall be used, effective November 1, 2010, to fund an approved moratorium exception project for a nursing facility in Bloomington licensed for 137 beds as of November 1, 2010, up to a total property rate adjustment of $19.33.

Sec. 7. Minnesota Statutes 2010, section 256B.441, is amended by adding a subdivision to read:

Subd. 60. Method for determining budget-neutral nursing facility rates for relocated beds. (a) Nursing facility rates for bed relocations must be calculated by comparing the estimated medical assistance costs prior to and after the proposed bed relocation using the calculations in this subdivision. All payment rates are based on a 1.0 case mix level, with other case mix rates determined accordingly. Nursing facility beds on layaway status that are being moved must be included in the calculation for both the originating and receiving facility and treated as though they were in active status with the occupancy characteristics of the active beds of the originating facility.

(b) Medical assistance costs of the beds in the originating nursing facilities must be calculated as follows:

(1) multiply each originating facility's total payment rate for a RUGS weight of 1.0 by the facility's percentage of medical assistance days on its most recent available cost report;

(2) take the products in clause (1) and multiply by each facility's average case mix score for medical assistance residents on its most recent available cost report;

(3) take the products in clause (2) and multiply by the number of beds being relocated, times 365; and

(4) calculate the sum of the amounts determined in clause (3).

(c) Medical assistance costs in the receiving facility, prior to the bed relocation, must be calculated as follows:

(1) multiply the facility's total payment rate for a RUGS weight of 1.0 by the medical assistance days on the most recent cost report; and

(2) multiply the product in clause (1) by the average case mix weight of medical assistance residents on the most recent cost report.

(d) The commissioner shall determine the medical assistance costs prior to the bed relocation which must be the sum of the amounts determined in paragraphs (b) and (c).

(e) The commissioner shall estimate the medical assistance costs after the bed relocation as follows:
(1) estimate the medical assistance days in the receiving facility after the bed relocation. The commissioner may use the current medical assistance portion, or if data does not exist, may use the statewide average, or may use the provider’s estimate of the medical assistance utilization of the relocated beds;

(2) estimate the average case mix weight of medical assistance residents in the receiving facility after the bed relocation. The commissioner may use current average case mix weight or, if data does not exist, may use the statewide average, or may use the provider’s estimate of the average case mix weight; and

(3) multiply the amount determined in clause (1) by the amount determined in clause (2) by the total payment rate for a RUGS weight of 1.0 that is the highest rate of the facilities from which the relocated beds either originate or to which they are being relocated so long as that rate is associated with ten percent or more of the total number of beds to be in the receiving facility after the bed relocation.

(f) If the amount determined in paragraph (e) is less than or equal to the amount determined in paragraph (d), the commissioner shall allow a total payment rate equal to the amount used in paragraph (e), clause (3).

(g) If the amount determined in paragraph (e) is greater than the amount determined in paragraph (d), the commissioner shall allow a rate with a RUGS weight of 1.0 that when used in paragraph (e), clause (3), results in the amount determined in paragraph (e) being equal to the amount determined in paragraph (d).

(h) If the commissioner relies upon provider estimates in paragraph (e), clause (1) or (2), then annually, for three years after the rates determined in this subdivision take effect, the commissioner shall determine the accuracy of the alternative factors of medical assistance case load and RUGS weight used in this subdivision and shall reduce the total payment rate for a RUGS weight of 1.0 if the factors used result in medical assistance costs exceeding the amount in paragraph (d). If the actual medical assistance costs exceed the estimates by more than five percent, the commissioner shall also recover the difference between the estimated costs in paragraph (e) and the actual costs according to section 256B.0641. The commissioner may require submission of data from the receiving facility needed to implement this paragraph.

(i) When beds approved for relocation are put into active service at the destination facility, rates determined in this subdivision must be adjusted by any adjustment amounts that were implemented after the date of the letter of approval.

Sec. 8. REPEALER.

Minnesota Statutes 2010, section 144A.073, subdivisions 4 and 5, are repealed.

Sec. 9. EFFECTIVE DATE.

This article is effective the day following final enactment.

ARTICLE 2
CONFORMING CHANGES

Section 1. Minnesota Statutes 2010, section 144A.071, subdivision 4a, is amended to read:

Subd. 4a. Exceptions for replacement beds. It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.
The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;

(v) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed $1,000,000;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed $1,000,000. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;
(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or $200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of $200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility acquired by the Minneapolis Community Development Agency as part of redevelopment activities in a city of the first class, provided the new facility is located within three miles of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under section 256B.431 or 256B.434;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed $1,000,000;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1998;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass County and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993;

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have
the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to
the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07
and shall be subject to a $100 per bed reactivation fee. In addition, at any time within three years of the effective
date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed
and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project
construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may
not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through
the moratorium exception process under section 144A.073;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the
beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the
incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431,
subdivision 3a, paragraph (c). The property-related payment rate for a facility relicensing and recertifying beds
from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental
per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be
effective the first day of the month following the month in which the relicensing and recertification became
effective. Any beds remaining on layaway status more than three years after the date the layaway status became
effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-
bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following
conditions: the nursing home was located in Ramsey County; had a licensed capacity of 154 beds; and had been
ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project
construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993
moratorium exception process;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility
located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing
facility and hospital are owned by the same or a related organization and that prior to the date the relocation is
completed the hospital ceases operation of its inpatient hospital services at that hospital. After relocation, the
nursing facility's status under section 256B.431, subdivision 2j, shall be the same as it was prior to relocation. The
nursing facility's property-related payment rate resulting from the project authorized in this paragraph shall become
effective no earlier than April 1, 1996. For purposes of calculating the incremental change in the facility's rental per
diem resulting from this project, the allowable appraised value of the nursing facility portion of the existing health
care facility physical plant prior to the renovation and relocation may not exceed $2,490,000;

(s) to license and certify two beds in a facility to replace beds that were voluntarily delicensed and decertified on
June 28, 1991;

(t) to allow 16 licensed and certified beds located on July 1, 1994, in a 142-bed nursing home and 21-bed
boarding care home facility in Minneapolis, notwithstanding the licensure and certification after July 1, 1995, of the
Minneapolis facility as a 147-bed nursing home facility after completion of a construction project approved in 1993
under section 144A.073, to be laid away upon 30 days' prior written notice to the commissioner. Beds on layaway
status shall have the same status as voluntarily delicensed or decertified beds except that they shall remain subject to
the surcharge in section 256.9657. The 16 beds on layaway status may be relicensed as nursing home beds and
recertified at any time within five years of the effective date of the layaway upon relocation of some or all of the
beds to a licensed and certified facility located in Watertown, provided that the total project construction costs
related to the relocation of beds from layaway status for the Watertown facility may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073.

The property-related payment rate of the facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (c). The property-related payment rate for the facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than five years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(u) to license and certify beds that are moved within an existing area of a facility or to a newly constructed addition which is built for the purpose of eliminating three- and four-bed rooms and adding space for dining, lounge areas, bathing rooms, and ancillary service areas in a nursing home that, as of January 1, 1995, was located in Fridley and had a licensed capacity of 129 beds;

(v) to relocate 36 beds in Crow Wing County and four beds from Hennepin County to a 160-bed facility in Crow Wing County, provided all the affected beds are under common ownership;

(w) to license and certify a total replacement project of up to 49 beds located in Norman County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(x) to license and certify a total replacement project of up to 129 beds located in Polk County that are relocated from a nursing home destroyed by flood and whose residents were relocated to other nursing homes. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(y) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey County, was not owned by a hospital corporation, had a licensed capacity of 64 beds, and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process;

(z) to license and certify up to 150 nursing home beds to replace an existing 285 bed nursing facility located in St. Paul. The replacement project shall include both the renovation of existing buildings and the construction of new facilities at the existing site. The reduction in the licensed capacity of the existing facility shall occur during the construction project as beds are taken out of service due to the construction process. Prior to the start of the construction process, the facility shall provide written information to the commissioner of health describing the process for bed reduction, plans for the relocation of residents, and the estimated construction schedule. The relocation of residents shall be in accordance with the provisions of law and rule;
(aa) to allow the commissioner of human services to license an additional 36 beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 198-bed nursing home located in Red Wing, provided that the total number of licensed and certified beds at the facility does not increase;

(bb) to license and certify a new facility in St. Louis County with 44 beds constructed to replace an existing facility in St. Louis County with 31 beds, which has resident rooms on two separate floors and an antiquated elevator that creates safety concerns for residents and prevents nonambulatory residents from residing on the second floor. The project shall include the elimination of three- and four-bed rooms;

(cc) to license and certify four beds in a 16-bed certified boarding care home in Minneapolis to replace beds that were voluntarily delicensed and decertified on or before March 31, 1992. The licensure and certification is conditional upon the facility periodically assessing and adjusting its resident mix and other factors which may contribute to a potential institution for mental disease declaration. The commissioner of human services shall retain the authority to audit the facility at any time and shall require the facility to comply with any requirements necessary to prevent an institution for mental disease declaration, including delicensure and decertification of beds, if necessary;

(dd) to license and certify 72 beds in an existing facility in Mille Lacs County with 80 beds as part of a renovation project. The renovation must include construction of an addition to accommodate ten residents with beginning and midstage dementia in a self-contained living unit; creation of three resident households where dining, activities, and support spaces are located near resident living quarters; designation of four beds for rehabilitation in a self-contained area; designation of 30 private rooms; and other improvements;

(ee) to license and certify beds in a facility that has undergone replacement or remodeling as part of a planned closure under section 256B.437;

(ff) to license and certify a total replacement project of up to 124 beds located in Wilkin County that are in need of relocation from a nursing home significantly damaged by flood. The operating cost payment rates for the new nursing facility shall be determined based on the interim and settle-up payment provisions of Minnesota Rules, part 9549.0057, and the reimbursement provisions of section 256B.431, except that section 256B.431, subdivision 26, paragraphs (a) and (b), shall not apply until the second rate year after the settle-up cost report is filed. Property-related reimbursement rates shall be determined under section 256B.431, taking into account any federal or state flood-related loans or grants provided to the facility;

(gg) to allow the commissioner of human services to license an additional nine beds to provide residential services for the physically disabled under Minnesota Rules, parts 9570.2000 to 9570.3400, in a 240-bed nursing home located in Duluth, provided that the total number of licensed and certified beds at the facility does not increase;

(hh) to license and certify up to 120 new nursing facility beds to replace beds in a facility in Anoka County, which was licensed for 98 beds as of July 1, 2000, provided the new facility is located within four miles of the existing facility and is in Anoka County. Operating and property rates shall be determined and allowed under section 256B.431 and Minnesota Rules, parts 9549.0010 to 9549.0080, or section 256B.434 or 256B.435. The provisions of section 256B.431, subdivision 26, paragraphs (a) and (b), do not apply until the second rate year following settle-up; or

(ii) to transfer up to 98 beds of a 129-licensed bed facility located in Anoka County that, as of March 25, 2001, is in the active process of closing, to a 122-licensed bed nonprofit nursing facility located in the city of Columbia Heights or its affiliate. The transfer is effective when the receiving facility notifies the commissioner in writing of the number of beds accepted. The commissioner shall place all transferred beds on layaway status held in the name of the receiving facility. The layaway adjustment provisions of section 256B.431, subdivision 30, do not apply to this layaway. The receiving facility may only remove the beds from layaway for recertification and relicensure at
the receiving facility's current site, or at a newly constructed facility located in Anoka County. The receiving facility must receive statutory authorization before removing these beds from layaway status, or may remove these beds from layaway status if removal from layaway status is part of a moratorium exception project approved by the commissioner under section 144A.073.

Sec. 2. Minnesota Statutes 2010, section 256B.431, subdivision 26, is amended to read:

Subd. 26. Changes to nursing facility reimbursement beginning July 1, 1997. The nursing facility reimbursement changes in paragraphs (a) to (e) shall apply in the sequence specified in Minnesota Rules, parts 9549.0010 to 9549.0080, and this section, beginning July 1, 1997.

(a) For rate years beginning on or after July 1, 1997, the commissioner shall limit a nursing facility's allowable operating per diem for each case mix category for each rate year. The commissioner shall group nursing facilities into two groups, freestanding and nonfreestanding, within each geographic group, using their operating cost per diem for the case mix A classification. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diem is subject to the hospital attached, short length of stay, or the rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities in each grouping by their allowable case mix A operating cost per diem. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem:

(1) is at or below the median of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diem as specified in Laws 1996, chapter 451, article 3, section 11, paragraph (h), plus the inflation factor as established in paragraph (d), clause (2), increased by two percentage points, or the current reporting year's corresponding allowable operating cost per diem; or

(2) is above the median of the array, the commissioner shall limit the nursing facility's allowable operating cost per diem for each case mix category to the lesser of the prior reporting year's allowable operating cost per diem as specified in Laws 1996, chapter 451, article 3, section 11, paragraph (h), plus the inflation factor as established in paragraph (d), clause (2), increased by one percentage point, or the current reporting year's corresponding allowable operating cost per diem.

For purposes of paragraph (a), if a nursing facility reports on its cost report a reduction in cost due to a refund or credit for a rate year beginning on or after July 1, 1998, the commissioner shall increase that facility's spend-up limit for the rate year following the current rate year by the amount of the cost reduction divided by its resident days for the reporting year preceding the rate year in which the adjustment is to be made.

(b) For rate years beginning on or after July 1, 1997, the commissioner shall limit the allowable operating cost per diem for high cost nursing facilities. After application of the limits in paragraph (a) to each nursing facility's operating cost per diem, the commissioner shall group nursing facilities into two groups, freestanding or nonfreestanding, within each geographic group. A nonfreestanding nursing facility is a nursing facility whose other operating cost per diem is subject to hospital attached, short length of stay, or rule 80 limits. All other nursing facilities shall be considered freestanding nursing facilities. The commissioner shall then array all nursing facilities within each grouping by their allowable case mix A operating cost per diem. In calculating a nursing facility's operating cost per diem for this purpose, the commissioner shall exclude the raw food cost per diem related to providing special diets that are based on religious beliefs, as determined in subdivision 2b, paragraph (h). For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diem by three percent. For those nursing facilities in each grouping whose case mix A operating cost per diem exceeds 0.5 standard deviation above
the median but is less than or equal to 1.0 standard deviation above the median, the commissioner shall reduce their allowable operating cost per diem by two percent. However, in no case shall a nursing facility's operating cost per diem be reduced below its grouping's limit established at 0.5 standard deviations above the median.

(c) For rate years beginning on or after July 1, 1997, the commissioner shall determine a nursing facility's efficiency incentive by first computing the allowable difference, which is the lesser of $4.50 or the amount by which the facility's other operating cost limit exceeds its nonadjusted other operating cost per diem for that rate year. The commissioner shall compute the efficiency incentive by:

1. Subtracting the allowable difference from $4.50 and dividing the result by $4.50;
2. Multiplying 0.20 by the ratio resulting from clause (1), and then;
3. Adding 0.50 to the result from clause (2); and
4. Multiplying the result from clause (3) times the allowable difference.

The nursing facility's efficiency incentive payment shall be the lesser of $2.25 or the product obtained in clause (4).

(d) For rate years beginning on or after July 1, 1997, the forecasted price index for a nursing facility's allowable operating cost per diem shall be determined under clauses (1) and (2) using the change in the Consumer Price Index-All Items (United States city average) (CPI-U) as forecasted by Data Resources, Inc. The commissioner shall use the indices as forecasted in the fourth quarter of the calendar year preceding the rate year, subject to subdivision 2l, paragraph (c).

1. The CPI-U forecasted index for allowable operating cost per diem shall be based on the 21-month period from the midpoint of the nursing facility's reporting year to the midpoint of the rate year following the reporting year.
2. For rate years beginning on or after July 1, 1997, the forecasted index for operating cost limits referred to in subdivision 2l, paragraph (b), shall be based on the CPI-U for the 12-month period between the midpoints of the two reporting years preceding the rate year.
3. After applying these provisions for the respective rate years, the commissioner shall index these allowable operating cost per diem by the inflation factor provided for in paragraph (d), clause (1), and add the nursing facility's efficiency incentive as computed in paragraph (c).
4. For the rate years beginning on July 1, 1997, July 1, 1998, and July 1, 1999, a nursing facility licensed for 40 beds effective May 1, 1992, with a subsequent increase of 20 Medicare/Medicaid certified beds, effective January 26, 1993, in accordance with an increase in licensure is exempt from paragraphs (a) and (b).

(g) For a nursing facility whose construction project was authorized according to section 144A.073, subdivision 5, paragraph (g), the operating cost payment rates for the new location shall be determined based on Minnesota Rules, part 9549.0057. The relocation allowed under section 144A.073, subdivision 5, paragraph (g), and the rate determination allowed under this paragraph must meet the cost neutrality requirements of section 144A.073, subdivision 3c. Paragraphs (a) and (b) shall not apply until the second rate year after the settle-up cost report is filed. Notwithstanding subdivision 2b, paragraph (g), real estate taxes and special assessments payable by the new location, a 501(c)(3) nonprofit corporation, shall be included in the payment rates determined under this subdivision for all subsequent rate years.

(h) For the rate year beginning July 1, 1997, the commissioner shall compute the payment rate for a nursing facility licensed for 94 beds on September 30, 1996, that applied in October 1993 for approval of a total replacement under the moratorium exception process in section 144A.073, and completed the approved replacement in June 1995,
with other operating cost spend-up limit under paragraph (a), increased by $3.98, and after computing the facility's payment rate according to this section, the commissioner shall make a one-year positive rate adjustment of $3.19 for operating costs related to the newly constructed total replacement, without application of paragraphs (a) and (b). The facility's per diem, before the $3.19 adjustment, shall be used as the prior reporting year's allowable operating cost per diem for payment rate calculation for the rate year beginning July 1, 1998. A facility described in this paragraph is exempt from paragraph (b) for the rate years beginning July 1, 1997, and July 1, 1998.

**(h)** For the purpose of applying the limit stated in paragraph (a), a nursing facility in Kandiyohi County licensed for 86 beds that was granted hospital-attached status on December 1, 1994, shall have the prior year's allowable care-related per diem increased by $3.207 and the prior year's other operating cost per diem increased by $4.777 before adding the inflation in paragraph (d), clause (2), for the rate year beginning on July 1, 1997.

**(i)** For the purpose of applying the limit stated in paragraph (a), a 117 bed nursing facility located in Pine County shall have the prior year's allowable other operating cost per diem increased by $1.50 before adding the inflation in paragraph (d), clause (2), for the rate year beginning on July 1, 1997.

**(j)** For the purpose of applying the limit under paragraph (a), a nursing facility in Hibbing licensed for 192 beds shall have the prior year's allowable other operating cost per diem increased by $2.67 before adding the inflation in paragraph (d), clause (2), for the rate year beginning July 1, 1997.

Sec. 3. Minnesota Statutes 2010, section 256B.437, subdivision 4, is amended to read:

Subd. 4. **Criteria for review of application.** In reviewing and approving closure proposals, the commissioner shall consider, but not be limited to, the following criteria:

1. improved quality of care and quality of life for consumers;

2. closure of a nursing facility that has a poor physical plant, which may be evidenced by the conditions referred to in section 144A.073, subdivision 4, clauses (4) and (5);

3. the existence of excess nursing facility beds, measured in terms of beds per thousand persons aged 85 or older. The excess must be measured in reference to:
   
   (i) the county in which the facility is located;
   
   (ii) the county and all contiguous counties;
   
   (iii) the region in which the facility is located; or
   
   (iv) the facility's service area;

   the facility shall indicate in its application the service area it believes is appropriate for this measurement. A facility in a county that is in the lowest quartile of counties with reference to beds per thousand persons aged 85 or older is not in an area of excess capacity;

4. low-occupancy rates, provided that the unoccupied beds are not the result of a personnel shortage. In analyzing occupancy rates, the commissioner shall examine waiting lists in the applicant facility and at facilities in the surrounding area, as determined under clause (3);
(5) evidence of coordination between the community planning process and the facility application. If the planning group does not support a level of nursing facility closures that the commissioner considers to be reasonable, the commissioner may approve a planned closure proposal without its support;

(6) proposed usage of funds available from a planned closure rate adjustment for care-related purposes;

(7) innovative use planned for the closed facility's physical plant;

(8) evidence that the proposal serves the interests of the state; and

(9) evidence of other factors that affect the viability of the facility, including excessive nursing pool costs.

Sec. 4. EFFECTIVE DATE.

This article is effective the day following final enactment.

Delete the title and insert:

"A bill for an act relating to health; amending nursing facility provisions; making changes to nursing facility bed layaway status; providing exceptions for an increase of beds in certain hardship areas; modifying the nursing facility moratorium exception process; modifying medical assistance reimbursement rates; making conforming changes; amending Minnesota Statutes 2010, sections 12A.10, by adding a subdivision; 144A.071, subdivisions 3, 4a, by adding a subdivision; 144A.073, subdivision 3c, by adding a subdivision; 256B.431, subdivision 26, by adding a subdivision; 256B.437, subdivision 4; 256B.441, by adding a subdivision; repealing Minnesota Statutes 2010, section 144A.073, subdivisions 4, 5."

We request the adoption of this report and repassage of the bill.

Senate Conferees: JULIE A. ROSEN, GRETCHE N HWFFMAN and KATHY SHERAN.

House Conferees: JOE SCHOMACKER, JIM ABELE R and PATTI FRITZ.

Schomacker moved that the report of the Conference Committee on S. F. No. 626 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 626, A bill for an act relating to human services; modifying certain nursing facility provisions; amending Minnesota Statutes 2010, sections 12A.10, by adding a subdivision; 144A.071, subdivisions 3, 4a; 144A.073, subdivision 3c, by adding a subdivision; 256B.431, subdivision 26; 256B.437, subdivision 4; 256B.441, by adding a subdivision; repealing Minnesota Statutes 2010, section 144A.073, subdivisions 4, 5.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 1 nay as follows:

Those who voted in the affirmative were:
Those who voted in the negative were:

Buesgens

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

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

S. F. Nos. 348, 573, 712, 779, 855 and 1130.

CAL R. LUDEMAN, Secretary of the Senate

**FIRST READING OF SENATE BILLS**

S. F. No. 348, A bill for an act relating to human services; modifying personal care assistance services; amending Minnesota Statutes 2010, sections 256B.0625, subdivision 19a; 256B.0652, subdivision 6; Laws 2009, chapter 79, article 13, section 3, subdivision 8, as amended.

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

S. F. No. 573, A bill for an act relating to Dakota County; extending interest in lands occupied by Minnesota Zoo.

The bill was read for the first time and referred to the Committee on Environment, Energy and Natural Resources Policy and Finance.
S. F. No. 712, A bill for an act relating to state lands; establishing adopt-a-WMA program; adding to and deleting from state parks, state recreation areas, state forests, and state wildlife management areas; authorizing public and private sales of certain surplus and tax-forfeited lands; amending Minnesota Statutes 2010, sections 85.052, subdivision 4; 89.021, subdivision 48; proposing coding for new law in Minnesota Statutes, chapter 97A.

The bill was read for the first time.

Fabian moved that S. F. No. 712 and H. F. No. 1230, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 779, A bill for an act relating to state lands; authorizing city of Red Wing to convey certain property; providing for conveyance of certain surplus state land; amending Laws 1976, chapter 50, section 1, subdivision 2.

The bill was read for the first time.

Kelly moved that S. F. No. 779 and H. F. No. 1017, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 855, A bill for an act relating to environment; modifying landfill cleanup program; amending Minnesota Statutes 2010, section 115B.412, subdivision 8, by adding subdivisions.

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

S. F. No. 1130, A bill for an act relating to unemployment insurance; modifying unemployment insurance and workforce development provisions; amending Minnesota Statutes 2010, sections 116L.17, subdivision 1; 116L.561, subdivision 7; 268.035, subdivisions 4, 19a, 20, 23, 29, 32; 268.051, subdivisions 5, 6, 8; 268.057, subdivision 2; 268.07, subdivisions 2, 3b; 268.085, subdivision 3; 268.095, subdivision 10; 268.115, subdivision 1; 268.184, subdivisions 1, 1a; Laws 2009, chapter 78, article 3, section 16.

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Dean from the Committee on Rules and Legislative Administration, pursuant to rule 1.21, designated the following bills to be placed on the Calendar for the Day for Tuesday, May 10, 2011:

H. F. Nos. 1326, 247, 912, 1138, 1011, 873 and 874.

CALENDAR FOR THE DAY

H. F. No. 247, A bill for an act relating to taxation; providing for voluntary contributions to the state on the income tax form; proposing coding for new law in Minnesota Statutes, chapter 290.

The bill was read for the third time and placed upon its final passage.
The question was taken on the passage of the bill and the roll was called. There were 113 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Abeler    Dean    Hansen    Laine    Morrow    Scalze
Anderson, B.  Dettmer  Hayden    Lanning   Murdock    Schomacker
Anderson, D.  Dill    Hilstrom   Leidiger   Murphy, M.  Scott
Anderson, P.  Dittrich  Hilty     LeMieux    Murray     Shimanski
Anderson, S.  Doepke  Holberg   Lenczewski Myhra      Simon
Anzelc    Downey   Hoppe     Lillie     Nelson    Slawik
Atkins    Drazkowski  Hortman  Loeffler   Nornes     Slocum
Banaian   Eken     Hosch     Lohmer    Norton     Stensrud
Barrett   Erickson  Howes    Looe     O'Driscoll  Swedzinski
Beard     Fabian    Huntley   Mack     Pelowski    Tillberry
Benson, J.  Falk     Johnson   Mahoney   Peppin     Torkelson
Benson, M.  Franson  Kahn     Marquart  Persell    Udahl
Bills      Fritz      Kahl     Mazorol   Peterson, B.  Vogel
Brynaert  Garofalo  Kelly    McDonald  Peterson, S.  Ward
Carlson   Gottwalt  Kieffer   McElfatrick Poppe     Wardlow
Cornish  Gruenhagen  Kiffmeyer  McFarlane  Quam      Westrom
Crawford  Gunther  Knuth     McNamara  Rukavina   Woodard
Daudt    Hamilton  Koenen    Melin     Runbeck    Spk. Zellers
Davids    Hancock  Kriesel   Moran     Sanders

Those who voted in the negative were:

Buesgens  Davnie   Hackbarth  Lesch     Paymar     Winkler
Champion  Greene   Hausman   Mullery    Thissen
Clark     Greiling  Hornstein Murphy, E. Wagenius
The bill was passed and its title agreed to.

H. F. No. 912 was reported to the House.

Abeler moved to amend H. F. No. 912 as follows:

Page 2, line 23, before "commercial" insert "suitable"

The motion prevailed and the amendment was adopted.

H. F. No. 912, A bill for an act relating to human services; providing a requirement for special family day care homes; amending Minnesota Statutes 2010, section 245A.14, subdivision 4.

The bill was read for the third time, as amended, and placed upon its final passage.
The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 10 nays as follows:

 Those who voted in the affirmative were:

Abeler    Davnie    Hayden    Lanning    Murdock    Scott
Anderson, D.    Dean    Hilstrom    Leidiger    Murphy, E.    Shimanski
Anderson, P.    Dettmer    Hilty    LeMieur    Murphy, M.    Simon
Anderson, S.    Dill    Holberg    Lenczewski    Murray    Slawik
Anzelc    Dittrich    Hoppe    Liebling    Myhra    Slocum
Atkins    Doepke    Hornstein    Loeffler    Nelson    Stensrud
Banaian    Downey    Hortman    Lohmer    Nornes    Swedzinski
Barrett    Eken    Hosch    Loon    Norton    Tillberry
Beard    Fabian    Howes    Mack    O'Driscoll    Torkelson
Benson, J.    Falk    Huntley    Mahoney    Paymar    Urda
Benson, M.    Fritz    Johnson    Mariani    Pelowski    Vogel
Bills    Gottwalt    Kahn    Marquart    Persell    Ward
Brynaert    Greene    Kath    Mazorol    Petersen, B.    Westrom
Carlson    Greiling    Kelly    McDonald    Peterson, S.    Winkler
Champion    Gruenhagen    Kieffer    McElfatrick    Poppe    Woodard
Clark    Gunther    Kiffmeyer    McFarlane    Quam    Spk. Zellers
Cornish    Hamilton    Knuth    McNamara    Rukavina
Crawford    Hancock    Koenen    Melin    Sanders
Daudt    Hansen    Kriesel    Moran    Scalze
Davids    Hausman    Laine    Morrow    Schomacker

 Those who voted in the negative were:

Anderson, B.    Drazkowski    Franson    Peppin    Thissen
Buesgens    Erickson    Hackbart    Runbeck    Wardlow

The bill was passed, as amended, and its title agreed to.

H. F. No. 1138 was reported to the House.

Abeler moved to amend H. F. No. 1138, the first engrossment, as follows:

Page 1, line 15, delete everything after "(b)"

Page 1, line 16, delete "department with respect to these services."

The motion prevailed and the amendment was adopted.

H. F. No. 1138, A bill for an act relating to human services; requiring a conference in case management and personal care assistance appeals; amending Minnesota Statutes 2010, section 256.045, subdivision 4a.

The bill was read for the third time, as amended, and placed upon its final passage.
The question was taken on the passage of the bill and the roll was called. There were 76 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Abeler  Daudt  Gruenhagen  Lanning  Murray  Scott
Anderson, B.  Davids  Gunther  Leidiger  Myhra  Shimanski
Anderson, D.  Dean  Hackbarth  LeMieur  Nornes  Stensrud
Anderson, P.  Dettmer  Hancock  Lenczewski  Norton  Swedzinski
Anderson, S.  Dittrich  Holberg  Lohmer  O'Driscoll  Torkelson
Atkins  Doepke  Hoppe  Loon  Peppin  Urdahl
Banaian  Downey  Hornstein  Mack  Petersen, B.  Vogel
Barrett  Drazkowski  Howes  Mazorol  Peterson, S.  Wardlow
Beard  Erickson  Huntley  McDonald  Quam  Westrom
Benson, M.  Fabian  Kelly  McElfatrick  Runbeck  Woodard
Bills  Franson  Kieffer  McFarlane  Sanders  Spk. Zellers
Buesgens  Garofalo  Kiffmeyer  McNamara  Scalze  Schomacker
Crawford  Gottwald  Kriesel  Murdock  Nelson  Thissen

Those who voted in the negative were:

Anzelc  Fritz  Johnson  Mahoney  Nelson  Thissen
Benson, J.  Greene  Kahn  Mariani  Paymar  Tillberry
Brynaert  Greiling  Kath  Marquart  Pelowski  Wagenius
Carlson  Hansen  Koenen  Melin  Persell  Ward
Champion  Hausman  Laine  Moran  Poppe  Winkler
Clark  Hilstrom  Lesch  Morrow  Rukavina  Winkler
Dill  Hilty  Liebling  Mullery  Simons  Winkler
Eken  Hortman  Lillie  Murphy, E.  Slawik  Winkler
Falk  Hosch  Loeffler  Murphy, M.  Slocum  Spk. Zellers

The bill was passed, as amended, and its title agreed to.

H. F. No. 1011, A bill for an act relating to natural resources; providing for disposition of trout and salmon management account; appropriating money; amending Minnesota Statutes 2010, section 97A.075, subdivision 3.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 115 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abeler  Bills  Dill  Greiling  Hornstein  Kiel
Anderson, D.  Brynaert  Dittrich  Gruenhagen  Hortman  Kiffmeyer
Anderson, P.  Carlson  Doepke  Gunther  Hosch  Knuth
Anderson, S.  Champion  Eken  Hamilton  Howes  Koenen
Anzelc  Clark  Fabian  Hansen  Huntley  Kriesel
Atkins  Cornish  Falk  Haasman  Johnson  Laine
Barrett  Crawford  Fritz  Hayden  Kahn  Lanning
Beard  Davids  Garofalo  Hilstrom  Kelly  LeMieur
Benson, J.  Davids  Gottwald  Hilty  Kieffer  Lenczewski
Benson, M.  Davnie  Greene  Holberg  Kieffer  Lenczewski
Those who voted in the negative were:

Anderson, B.  Downey  Franson  Hoppe  Thissen
Buesgens  Drazkowski  Hackbarth  Quam  Spk. Zellers
Dettmer  Erickson  Hancock  Runbeck

The bill was passed and its title agreed to.


The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler  Davnie  Hancock  Kriesel  Moran  Scalze
Anderson, B.  Dean  Hansen  Laine  Morrow  Schomacker
Anderson, D.  Dettmer  Hausman  Lanning  Mullery  Scott
Anderson, P.  Dill  Hayden  Leidiger  Murdock  Shimansi
Anderson, S.  Dittrich  Hilstrom  LeMieur  Murphy, E.  Simon
Anzele  Doepke  Hilty  Lenczewski  Murphy, M.  Slawik
Atkins  Downey  Holberg  Lesch  Murray  Slocum
Banaian  Drazkowski  Hoppe  Liebling  Myhra  Stensrud
Barrett  Eken  Hornstein  Lillie  Nelson  Swedzinski
Beard  Erickson  Hortman  Loefller  Nordem  Tillberry
Benson, J.  Fabian  Hotsch  Lohmer  Norton  Torkelson
Benson, M.  Falk  Howes  Loon  O'Driscoll  Udahl
Bills  Franson  Huntley  Mack  Paymar  Vogel
Brynaert  Fritz  Johnson  Mahoney  Pelowski  Wagenius
Buesgens  Garofalo  Kahn  Mariani  Peppin  Ward
Carlson  Gottwald  Kath  Marquart  Persell  Wardlow
Champion  Greene  Kelly  Mazorol  Peterson, B.  Westrom
Clark  Greiling  Kieffer  McDonald  Peterson, S.  Winkler
Cornish  Gruenhagen  Kiel  McElfatrick  Poppe  Woodard
Crawford  Gunther  Kiffmeyer  McFarlane  Rukavina  Spk. Zellers
Daudt  Hackbart  Knuth  McNamara  Runbeck  Spk. Zellers
Davids  Hamilton  Koenen  Melin  Sanders

Lesch  McDonald  Murphy, M.  Persell  Simon  Ward
Liebling  McElfatrick  Murray  Petersen, B.  Slawik  Wardlow
Loeffler  McFarlane  Myhra  Petersen, S.  Slocum  Westrom
Lohmer  McNamara  Nelson  Poppe  Stensrud  Winkler
Loon  Melin  Nornes  Rukavina  Swedzinski  Woodard
Mack  Moran  Norton  Sanders  Tillberry
Mahoney  Morrow  O'Driscoll  Scalze  Torkelson
Mariani  Mullery  Paymar  Schomacker  Urdahl
Marquart  Murdock  Pelowski  Scott  Vogel
Mazorol  Murphy, E.  Peppin  Shimansi  Wagenius
Those who voted in the negative were:

Quam Thissen

The bill was passed and its title agreed to.

H. F. No. 874, A bill for an act relating to education finance; removing obsolete language; amending Minnesota Statutes 2010, section 126C.10, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler Davnie Hancock Kriesel Moran Scalze
Anderson, B. Dean Hansen Laine Morrow Schomacker
Anderson, D. Dettmer Hausman Lanning Mullery Scott
Anderson, P. Dill Hayden Leidiger Murdock Shimanski
Anderson, S. Dittrich Hilstrom LeMier Murphy, E. Simon
Anzelc Doepke Hilty Lenczewski Murphy, M. Slawik
Atkins Downey Holberg Lesch Murray Slocum
Banaian Drazkowski Hoppe Liebling Myhra Stensrud
Barrett Eken Hornstein Lillie Nelson Swedzinski
Beard Erickson Hortman Loeffler Norton Torkelson
Benson, J. Fabian Hosch Lohmer O'Driscoll Udahl
Benson, M. Falk Howes Loon Paymar Vogel
Bills Franson Huntley Mack Paymar Vogel
Brynaert Fritz Johnson Mahoney Pelowski Wagenius
Buesgens Garofalo Kahn Mariani Pepin Ward
Carlson Gottwald Kath Marquart Persell Wardlow
Champion Greene Kelly Mazorol Petersen, B. Westrom
Clark Greiling Kieffer McDonald Peterson, S. Winkler
Cornish Gruenhagen Kiel McElfatrick Poppe Woodard
Crawford Gunther Kiffmeyer McFarlane Rukavina Spk. Zellers
Daudt Hack Barth Knuth McNamara Runbeck
Davids Hamilton Koenen Melin Sanders

Those who voted in the negative were:

Quam Thissen

The bill was passed and its title agreed to.

H. F. No. 1326, A bill for an act relating to liquor; authorizing brewer taproom licenses; allowing a bed and breakfast to serve Minnesota beer; making clarifying, technical, and other changes to certain license provisions; authorizing the issuance of certain on-sale and off-sale licenses; amending Minnesota Statutes 2010, sections 340A.301, by adding a subdivision; 340A.4011, subdivision 2; 340A.404, subdivision 7, by adding subdivisions; 340A.412, subdivisions 4, 14.

The bill was read for the third time and placed upon its final passage.
The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abeler  Dean  Hausman  LeMieux  Murphy, M.  Simon
Anderson, D.  Dill  Hayden  Lenczewski  Murray  Slavik
Anderson, P.  Dittrich  Hilstrom  Lesch  Myhra  Slocum
Anderson, S.  Doepke  Hilty  Liebling  Nelson  Stensrud
Anzelc  Downey  Hoppe  Lillie  Nornes  Swedzinski
Atkins  Drazkowski  Hornestein  Loeffler  Norton  Thissen
Banaian  Eken  Hortman  Lohmer  O'Driscoll  Tillberry
Barrett  Erickson  Hosch  Loon  Paymar  Torkelson
Beard  Fabian  Howes  Mack  Pelowski  Udahl
Benson, J.  Falk  Huntley  Mahoney  Peppin  Vogel
Benson, M.  Franson  Johnson  Mariani  Persell  Wagenius
Bills  Fritz  Kahn  Marquart  Petersen, B.  Ward
Brynaert  Garofalo  Kath  Mazorol  Peterson, S.  Wardlow
Buergens  Gottwald  Kelly  McDonald  Poppe  Westrom
Carlson  Greene  Kieffer  McFarlane  Quam  Winkler
Champion  Greiling  Kiel  McNamara  Rakavina  Woodard
Clark  Gruenhagen  Kiffmeyer  Melin  Runbeck  Spk. Zellers
Cornish  Gunther  Knuth  Moran  Sanders
Crawford  Hack Barth  Koenen  Morrow  Scalze
Daudt  Hamilton  Kriesel  Mullery  Schomacker
Davids  Hancock  Laine  Murdock  Scott
Davnie  Hansen  Lanning  Murphy, E.  Shimanski

Those who voted in the negative were:

Anderson, B.  Dettmer  Holberg  Leidiger  McElfresh

The bill was passed and its title agreed to.

H. F. No. 206, A bill for an act relating to the permanent school fund; modifying the membership of the advisory committee; amending Minnesota Statutes 2010, section 127A.30, subdivision 1.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abeler  Bills  Dill  Gottwald  Holberg  Kiel
Anderson, B.  Brynaert  Dittrich  Greene  Hoppe  Kiffmeyer
Anderson, D.  Carlson  Doepke  Greiling  Hornstein  Knuth
Anderson, P.  Champion  Downey  Gruenhagen  Hortman  Koenen
Anderson, S.  Clark  Drazkowski  Gunther  Hosch  Kriesel
Anzelc  Cornish  Eken  Hamilton  Howes  Laine
Atkins  Crawford  Erickson  Hancock  Huntley  Lanning
Banaian  Daudt  Fabian  Hansen  Johnson  Leidiger
Barrett  Davids  Falk  Hausman  Kahn  LeMieux
Beard  Davnie  Franson  Hayden  Kelly  Lesch
Benson, J.  Dean  Fritz  Hilstrom  Kelly  Liebling
Benson, M.  Dettmer  Garofalo  Hilty  Kieffer  Liebling
Those who voted in the negative were:

Buesgens
Hackbart

The bill was passed and its title agreed to.

H. F. No. 479, A bill for an act relating to public safety; establishing use of weight of fluid used in a water pipe when determining weight or amount of controlled substance; amending Minnesota Statutes 2010, sections 152.01, subdivisions 9a, 16; 152.021, subdivision 2; 152.022, subdivision 2; 152.023, subdivision 2.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 101 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abeler  Dill  Hayden  Lanning  Moran  Peterson, S.
Anderson, D.  Dittrich  Hilstrom  Lenczewski  Morrow  Poppe
Anderson, S.  Doepke  Hilty  Lesch  Mullery  Rukavina
Anzelc  Eken  Hoppe  Liebling  Murphy, E.  Scalar
Atkins  Erickson  Hornstein  Lillie  Murphy, M.  Schomacker
Barrett  Fabian  Hortman  Loeffler  Murdock  Sanders
Beard  Falk  Hosch  Loon  Murray  Simon
Benson, J.  Garofalo  Howes  Mack  Myhra  Slawik
Bills  Gottwalt  Huntley  Mahoney  Nelson  Tillberry
Brynaert  Greene  Johnson  Mariani  Nornes  Torkelson
Buesgens  Greiling  Kahn  Marquart  Norton  Urda
Carlson  Gunther  Kelly  Mazorol  O'Driscoll  Vogel
Champion  Hackbarth  Kiel  McDonald  Paymar  Wagenius
Cornish  Hamilton  Knuth  McElfatrick  Pelowski  Westrom
Daudt  Hancock  Koenen  McFarlane  Peppin  Winkler
Davids  Hansen  Kriesel  McNamara  Persell  Spk. Zellers
Davnie  Hausman  Laine  Melin  Petersen, B.

Those who voted in the negative were:

Anderson, B.  Dettmer  Gruenhagen  Leidiger  Scott  Thissen
Anderson, P.  Downey  Holberg  LeMieux  Shimanski  Ward
Banaian  Drazkowski  Kath  Lohmer  Slocum  Wardlow
Benson, M.  Franson  Kieffer  Quam  Stensrud  Woodard
Crawford  Fritz  Kiffmeyer  Runbeck  Swedzinski

The bill was passed and its title agreed to.
H. F. No. 724, A bill for an act relating to highways; removing Route No. 332 from trunk highway system; repealing Minnesota Statutes 2010, section 161.115, subdivision 263.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abeler
Anderson, B.
Anderson, D.
Anderson, P.
Anderson, S.
Anzelc
Atkins
Banaian
Barrett
Beard
Benson, J.
Benson, M.
Bills
Brynaert
Buesgens
Carlson
Champion
Cornish
Crawford
Daudt
Davids
Davnie
Dean
Dettmer
Dill
Doepke
Downey
Hansen
Hausman
Hayden
Hilstrom
Hilty
Hollberg
Hoppe
Hornstein
Hortman
Hosch
Howes
Huntley
Johnson
Greene
Greiling
Gruenhagen
Kiel
Kiffmeyer
Knuth
Hamilton
Koenen
Kriesel
Hanson
Lanning
Leidiger
LeMieur
Lenczewski
Lesch
Liebling
Lillie
Loeffler
Loher
Loon
Mack
Mahoney
Marani
Marquart
Mazorol
McDonald
McElfrick
McFarlane
McNamara
Melin
Moran
Mullery
Murdock
Murphy, E.
Murphy, M.
Murray
Myhra
Nelson
Nelson
Norton
Norton
Nelson
Nerines
Nordstrom
O'Driscoll
Paymar
Torkelson
Pelowski
Peppin
Persell
Wagenius
Peterson, B.
Peterson, S.
Pope
Quam
Runbeck
Sanders
Schomacker
Scott
Shimanski
Simon
Slawik
Stecum
Stensrud
Tillberry
Torkelson
Udahl
Vogel
Wagenius
Ward
Worklow
Woodard
Spk. Zellers

The bill was passed and its title agreed to.

H. F. No. 537, A bill for an act relating to traffic regulations; providing that speed in excess of ten miles per hour over speed limit of 60 miles per hour does not go on driver's driving record; amending Minnesota Statutes 2010, sections 169.99, subdivision 1b; 171.12, subdivision 6.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 111 yeas and 20 nays as follows:

 Those who voted in the affirmative were:

Abeler
Anderson, B.
Anderson, D.
Anderson, P.
Anderson, S.
Anzelc
Atkins
Banaian
Barrett
Beard
Benson, J.
Benson, M.
Bills
Brynaert
Buesgens
Carlson
Champion
Cornish
Crawford
Daudt
Davids
Davnie
Dean
Dettmer
Dill
Eken
Davies
Davnie
Davnie
Dettmer
Dill
Erickson
Downey
Drauzkowski
Eken
Fabian
Falk
Farnson
Fritz
Garofalo
Gottwalt
Greene
Greiling
Gruenhagen
Gunther
Hackbarth
Hamilton
Hancock
Hansen
Hausman
Hayden
Hilstrom
Hilty
Hollberg
Hoppe
Hornstein
Hortman
Hosch
Howes
Huntley
Johnson
Koenen
Kriesel
Laine
LeMieur
Lenczewski
Lesch
Liebling
Lillie
Loeffler
Loher
Loon
Mack
Mahoney
Marani
Marquart
Mazorol
McDonald
McElfrick
McFarlane
McNamara
Melin
Moran
Mullery
Murdock
Murphy, E.
Murphy, M.
Murray
Myhra
Nelson
Norton
O'Driscoll
Paymar
Torkelson
Pelowski
Peppin
Persell
Wagenius
Peterson, B.
Peterson, S.
Pope
Quam
Runbeck
Sanders
Schomacker
Scott
Shimanski
Simon
Slawik
Stecum
Stensrud
Tillberry
Torkelson
Udahl
Vogel
Wagenius
Ward
Worklow
Woodard
Spk. Zellers
The bill was passed and its title agreed to.

H. F. No. 763, A bill for an act relating to health; removing expiration date on swimming pond exemption; amending Minnesota Statutes 2010, section 144.1222, subdivision 5.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

<table>
<thead>
<tr>
<th>Abeler</th>
<th>Crawford</th>
<th>Greene</th>
<th>Kahn</th>
<th>Loon</th>
<th>Nelson</th>
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<td>Anderson, B.</td>
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<td>Greene</td>
<td>Kahn</td>
<td>Loon</td>
<td>Nelson</td>
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<td>Anderson, D.</td>
<td>Davids</td>
<td>Gruenhagen</td>
<td>Kelly</td>
<td>Mahoney</td>
<td>Norton</td>
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<td>Anderson, P.</td>
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<td>Hackbard</td>
<td>Kieffer</td>
<td>Mariano</td>
<td>O'Driscoll</td>
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<td>Anderson, S.</td>
<td>Dean</td>
<td>Hamilton</td>
<td>Kiel</td>
<td>Marquart</td>
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<td>Anzelc</td>
<td>Detmer</td>
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<td>Kiffmeyer</td>
<td>Mazorol</td>
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<td>Atkins</td>
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<td>Hansen</td>
<td>Knoth</td>
<td>McDonald</td>
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<td>Banaian</td>
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<td>Hausman</td>
<td>Koenen</td>
<td>McElfatrick</td>
<td>Petersen, B.</td>
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<td>Barrett</td>
<td>Doepke</td>
<td>Hayden</td>
<td>Kriesel</td>
<td>McFarlane</td>
<td>Petersen, B.</td>
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<td>Beard</td>
<td>Downey</td>
<td>Hilstrom</td>
<td>Laine</td>
<td>McNamara</td>
<td>Petersen, S.</td>
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<td>Benson, J.</td>
<td>Drazkowski</td>
<td>Hilty</td>
<td>Lanning</td>
<td>Melin</td>
<td>Poppe</td>
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<td>Benson, M.</td>
<td>Eken</td>
<td>Holberg</td>
<td>Leidiger</td>
<td>Moran</td>
<td>Quam</td>
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<tr>
<td>Bills</td>
<td>Erickson</td>
<td>Hoppe</td>
<td>LeMieure</td>
<td>Morrow</td>
<td>Rukavina</td>
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<td>Brynaert</td>
<td>Fabian</td>
<td>Hornstein</td>
<td>Lenczewski</td>
<td>Mullery</td>
<td>Runbeck</td>
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<td>Buesgens</td>
<td>Falk</td>
<td>Hortman</td>
<td>LeSche</td>
<td>Murdoch</td>
<td>Sanders</td>
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<tr>
<td>Carlson</td>
<td>Franson</td>
<td>Hosch</td>
<td>Lille</td>
<td>Murphy, E.</td>
<td>Scalze</td>
</tr>
<tr>
<td>Champion</td>
<td>Fritz</td>
<td>Howes</td>
<td>Lilly</td>
<td>Murphy, M.</td>
<td>Schomaker</td>
</tr>
<tr>
<td>Clark</td>
<td>Garofalo</td>
<td>Huntley</td>
<td>Loeffer</td>
<td>Murray</td>
<td>Scott</td>
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<tr>
<td>Cornish</td>
<td>Gottwald</td>
<td>Johnson</td>
<td>Lohmer</td>
<td>Myhra</td>
<td>Shimanski</td>
</tr>
</tbody>
</table>

Those who voted in the negative were:

| Brynaert | Hausman | Knuth | Moran | Petersen, B. |
| Clark | Hornstein | Lenczewski | Murphy, E. | Poppe |
| Dittrich | Hortman | Liebling | Nelson | Thissen |
| Greene | Johnson | Loeffler | Norton | Wagenius |

| Falk | Holberg | Lanning | McFarlane | Persell | Swedzinski |
| Franson | Hoppe | Leidiger | McNamara | Peterson, S. | Tillbery |
| Fritz | Hosch | LeMieur | Melin | Quam | Torkelson |
| Garofalo | Howes | LeSche | Morrow | Rukavina | Urdahl |
| Gottwald | Huntley | Lille | Mullery | Runbeck | Vogel |
| Greiling | Kahn | Lohmer | Murdock | Sanders | Ward |
| Gruenhagen | Kath | Loon | Murphy, M. | Scalze | Wardlow |
| Gunther | Kelly | Mack | Murray | Schomaker | Westrom |
| Hackbarth | Kieffer | Mahoney | Myhra | Scott | Winkler |
| Hancock | Kiel | Mariani | Nornes | Shimanski | Woodard |
| Hansen | Kiffmeyer | Marquart | O'Driscoll | Simon | Spk. Zellers |
| Hayden | Koenen | Mazorol | Paymar | Slawik | |
| Hilstrom | Kriesel | McDonald | Pelowski | Slocum | |
| Hilty | Laine | McElfatrick | Peppin | Stensrud | |
Those who voted in the negative were:

Thissen

The bill was passed and its title agreed to.


The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

Abeler Davids Hamilton Kriesel Melin Rukavina
Anderson, B. Dean Hancock Laine Moran Sanders
Anderson, D. Detmer Hansen Lanning Morrow Scalze
Anderson, P. Dill Hausman Leidiger Mullery Schomacker
Anderson, S. Dittrich Hayden LeMieux Murdock Scott
Anzele Doepke Hilty Lenczewski Murphy, E. Shimanski
Atkins Downey Holberg Lesch Murphy, M. Simon
Banaian Drzazkowski Hoppe Liebling Murray Slawik
Barrett Eken Hornstein Lillie Myhra Slocum
Beard Erickson Hortman Loeffler Nelson Stensrud
Benson, J. Fabian Hosch Lohmer Nornes Swedzinski
Benson, M. Falk Howes Loon Norton Tillberry
Bills Franson Johnson Mack O’Driscoll Torkelson
Brynaert Fritz Johnson Mahoney Paymar Urdahl
Buesgens Garofalo Kath Mariani Pelowski Vogel
Carlson Gottwalt Kelly Marquart Peppin Ward
Champion Greene Kieffer Mazorol Persell Wardlow
Clark Greiling Kiel McDonald Petersen, B. Westrom
Cornish Gruenhagen Kiffmeyer McElfratrick Peterson, S. Winkler
Crawford Gunther Knuth McFarlane Poppe Woodard
Daudt Hackbart Koenen McNamara Quam Spk. Zellers

Those who voted in the negative were:

Davnie Hilstrom Huntley Runbeck Thissen Wagenius

The bill was passed and its title agreed to.

Dean moved that the remaining bills on the Calendar for the Day be continued. The motion prevailed.
There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 170, A bill for an act relating to education; requiring teacher candidates to pass basic skills exam; amending Minnesota Statutes 2010, sections 122A.09, subdivision 4; 122A.18, subdivision 2.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Senators Daley, DeKruif and Wiger.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Kieffer moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 170. The motion prevailed.

Mr. Speaker:

I hereby announce the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 509, A bill for an act relating to elections; requiring voters to provide picture identification before receiving a ballot in most situations; providing for the issuance of voter identification cards at no charge; establishing a procedure for provisional balloting; creating challenged voter eligibility list; specifying other election administration procedures; allowing use of electronic polling place rosters; creating legislative task force on electronic roster implementation; enacting procedures related to recounts; appropriating money; amending Minnesota Statutes 2010, sections 13.69, subdivision 1; 135A.17, subdivision 2; 171.01, by adding a subdivision; 171.06, subdivisions 1, 2, 3, by adding a subdivision; 171.061, subdivisions 1, 3, 4; 171.07, subdivisions 1a, 4, 9, 14, by adding a subdivision; 171.071; 171.11; 171.14; 200.02, by adding a subdivision; 201.021; 201.022, subdivision 1; 201.061, subdivisions 3, 4, 7; 201.071, subdivision 3; 201.081; 201.121, subdivisions 1, 3; 201.171; 201.221, subdivision 3; 203B.04, subdivisions 1, 2; 203B.06, subdivision 5; 203B.121, subdivision 1; 204B.14, subdivision 2; 204B.40; 204C.10; 204C.12, subdivisions 3, 4; 204C.14; 204C.20, subdivisions 1, 2, 4, by adding a subdivision; 204C.23; 204C.24, subdivision 1; 204C.32; 204C.33, subdivision 1; 204C.37; 204C.38; 204D.24, subdivision 2; 205.065, subdivision 5; 205.185, subdivision 3; 205A.03, subdivision 4; 205A.10, subdivision 3; 206.86, subdivisions 1, 2; 209.021, subdivision 1; 209.06,
subdivision 1; 211B.11, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 200; 201; 204C; 299A; proposing coding for new law as Minnesota Statutes, chapters 204E; 206A; repealing Minnesota Statutes 2010, sections 203B.04, subdivision 3; 204C.34; 204C.35; 204C.36; 204C.361.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:


Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

CAL R. LUDEMAN, Secretary of the Senate

Kiffmeyer moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 5 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 509. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1115.

CAL R. LUDEMAN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1115, A bill for an act relating to natural resources; modifying nonnative species provisions; modifying certain requirements for public waters work permits; modifying requirements for permits to control or harvest aquatic plants; providing criminal penalties and civil penalties; amending Minnesota Statutes 2010, sections 84D.01, subdivisions 8a, 16, 21, by adding subdivisions; 84D.02, subdivision 6; 84D.03, subdivisions 3, 4; 84D.08; 84D.09; 84D.10, subdivisions 1, 3, 4; 84D.11, subdivision 2a; 84D.13, subdivisions 3, 4, 5, 6, 7; 84D.15, subdivision 2; 97C.081, subdivision 4; 103G.311, subdivision 5; 103G.615, subdivision 4, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 84D; 86B; repealing Minnesota Statutes 2010, section 84D.02, subdivision 4.

The bill was read for the first time.

McNamara moved that S. F. No. 1115 and H. F. No. 1097, now on the General Register, be referred to the Chief Clerk for comparison. The motion prevailed.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 170:

Kieffer, Erickson and Kath.
The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 509:

Kiffmeyer; Benson, M.; Downey; Sanders and Dittrich.

MOTIONS AND RESOLUTIONS

Smith moved that his name be stricken as an author on H. F. No. 1578. The motion prevailed.

ADJOURNMENT

Dean moved that when the House adjourns today it adjourn until 9:00 a.m., Wednesday, May 11, 2011. The motion prevailed.

Dean moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Wednesday, May 11, 2011.

ALBIN A. MATHIOWETZ, Chief Clerk, House of Representatives